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S.E.C. Registration Number

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P.S.E. Control Number

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(Company's Full Name)

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(Business Address: No. Street City/Town Province)

Joan A. Giduquio-Baron

Contact Persons

(032) 232-0283, 234-2256 and 234-2285

Telephone Number of the Contact Person

1	2
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Month Day
Fiscal Year

3	1
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SEC FORM 17-A

FORM TYPE

0	9
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Month

1	1
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Day

N/A

Secondary license Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

1,423

Total No. of Stockholders

1,415

Domestic

8

Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **2020**
2. SEC Identification Number **175222** 3. BIR Tax Identification No.
242-603-734-000
4. **VIVANT CORPORATION**
Exact name of issuer as specified in its charter
5. **City of Mandaluyong** (SEC Use Only)
Province, Country or other jurisdiction of
incorporation or organization
6. Industry Classification Code:
7. **VIVANT CORPORATION**
9th Floor, Oakridge IT Center 3, Oakridge Business Park,
A.S. Fortuna Street, Brgy. Banilad, Mandaue City, Cebu **6014**
Address of principal office Postal Code
8. **(6332) 234-2256; 234-2285**
Issuer's telephone number, including area code
9. **Not Applicable.**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	1,023,456,698
Amount of Debt Outstanding	Php 6,265,478,188

11. Are any or all of these securities listed on a Stock Exchange.

Yes [x] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Stock**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x]

No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x]

No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

130,373,396 x Php 14.46 = Php 1,885,199,306.16

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

1. Business Development

Vivant Corporation (Vivant or the Company) is a publicly listed holding company that, through its subsidiaries and affiliates, has interests in various companies engaged in the electric power generation (renewable and non-renewable energy), electric power distribution, and retail electricity business. The Garcia-Escano family of Cebu (the Family) collectively owns approximately 76% of the outstanding capital stock of Vivant as of December 31, 2020.

Vivant's history can be traced back to Viuda y Hijos de F. Escano Incorporada, the successor of the enterprise that Don Fernando Escano founded in 1879, which came to be known as Hijos de F. Escano Inc. (HDFE). The entry into the power industry dates back to the early 1900s when the Family diversified its business interests (mainly shipping and trade) to include electricity power distribution when it took over the operations of the Visayas Electric Company (VECO). VECO was the power distribution utility serving the electricity requirements of the City of Cebu and its surrounding municipalities.

The Second World War caused significant damage to the facilities of VECO. It was during the close of the war in 1945 that initiatives of VECO, alongside with the US Army, allowed the resumption of its operations to its pre-war levels. Staff levels were increased up, while investments in new machineries and equipment poured in. Currently, VECO stands as the second largest privately-owned electric power distribution utility in the Philippines in terms of annual gigawatt-hour (GWh) sales. As of end-2020, Vivant has an effective equity interest of approximately 35% in VECO.

In 2002, the Family acquired 99% of Philstar.com, a company listed in the Philippine Stock Exchange (PSE). Subsequently, the Family's holdings in HDFE and VECO were infused to this company. Philstar.com was eventually renamed Vivant Corporation.

Starting in 2007, Vivant, through its subsidiaries and affiliates, started its foray into the power generation business via equity investments in the following generation companies:

- Cebu Private Power Corporation, owner and operator of a 70 megawatts (MW) diesel-fired power plant located in the island of Cebu;
- Delta P, Inc. (DPI), owner and operator of a 16 MW diesel-fired power plant in Palawan; and
- Cebu Energy Development Corporation, a project company that owns and operates a 246 MW coal-fired power plant in Toledo City, Cebu.

The Company likewise participated in the government's privatization efforts conducted by the Power Sector Assets and Liabilities Management (PSALM):

- Acquisition of the 0.8 MW Amlan Hydroelectric Power Plant in Negros island in 2009; and
- Appointment as the Independent Power Producer (IPP) Administrator of the 70 MW Bakun Hydroelectric Power Plant (BHPP) in Alilem, Ilocos Sur in 2009

In 2010, Vivant, through one of its subsidiaries, entered into an agreement with the Provincial Government of La Union (PGLU) for the management and operation of the 225 MW Bauang diesel-fired power plant.

In December 2012, Corenergy Inc. (Corenergy), through wholly-owned subsidiary Vivant Energy Corporation (Vivant Energy), was incorporated as the Retail Electricity Supply (RES) company of Vivant.

In April 2013, the Company, through one of its associates, broke ground for the construction of the 8 MW bunker- and 750 kW diesel-fired power plants in the municipalities of Coron and Busuanga, respectively. The plants commenced commercial operations in the last quarter of 2014 and have serviced the power requirements of the local distribution utility via a Power Supply Agreement (PSA).

In November 2013, Vivant, through wholly-owned subsidiary Vivant Energy, participated in the public bidding process conducted by PSALM for the selection and appointment of the IPP Administrator for the Strips of Energy of the Unified Leyte Geothermal Power Plants (ULGPP) located at Tongonan, Leyte. On January 29, 2014, PSALM declared and selected Vivant Energy as the Winning Bidder for Seventeen (17) Strips of Energy of the ULGPP. This allowed Vivant Energy to sell 17 MW of geothermal power from ULGPP beginning January 1, 2015. In October 2019, the Administration Agreement for the Selection and Appointment of IPP Administrators for the Strips of Energy of the ULGPP between Vivant Energy and PSALM was terminated.

In January 2014, Vivant signed an agreement to issue Php 3 billion (bn) in Fixed Rate Corporate Notes (FRCN). The offering was fully subscribed by a consortium of local banks. Proceeds of the issue, which were in 2 tranches, were earmarked to partly fund the Company's and its subsidiaries' capital projects.

In February 2014, a Memorandum of Understanding was executed by wholly-owned subsidiary Vivant Integrated Generation Corporation (VIGC) and Mindanao Energy Systems, Inc. (Minergy) that involved the possible equity investments by VIGC in Minergy's future power generation projects. Subsequent to this, a Subscription Agreement between VIGC and Minergy Coal Corporation (MCC) was executed, which allowed VIGC to subscribe to 40% of all issued capital and shares of MCC. MCC is the project company that was set up by Minergy to build, own and operate a 3x55 MW coal-fired power plant in Balingasag, Misamis Oriental. Construction commenced in the first quarter of 2014. In 2015, MCC changed its corporate name to Minergy Power Corporation (MPC). The power generation facility started to feed into the franchise area of Cagayan de Oro Electric Power and Light Corporation (CEPALCO), which covers the City of Cagayan de Oro and adjoining towns, in September 2017.

On August 27, 2014, a shareholders' agreement between VIGC and Therma Power, Inc. (TPI) was signed. This agreement involved the investment by VIGC in Therma Visayas, Inc. (TVI), the project proponent for the construction and operation of a 2x170 MW coal-fired power generation facility in Toledo City, Cebu. The agreement involved the entry of VIGC into TVI for a 20% equity stake. Construction commenced in the first quarter of 2015. Commercial operations for Unit 1 and Unit 2 commenced within the first half of 2019.

In December 2015, after the successful conduct of a Competitive Selection Process (CSP) by the Palawan Electric Cooperative (PALECO), DPI was declared as the winning proponent and awardee of the 15-year PSA for a 26.65 MW Gross Dependable Capacity. Consequently, DPI embarked on an expansion program in 2016 involving the construction of a 30 MW diesel-fired power plant. The power plant facility started to feed into the PALECO service area in the second quarter of 2017.

In September 2016, Corenergy obtained its 5-year Renewable Energy Supplier license from the Energy Regulatory Commission (ERC) and started supplying to retail customers in Luzon starting in 2018.

In January 2017, 1590 Energy Corporation (1590 EC) signed a 5-year Ancillary Service Procurement Agreement (ASPA) with the National Grid Corporation of the Philippines (NGCP). This involved the provision of Dispatchable Reserve on a non-firm basis. The ASPA became effective in May 2017, after obtaining Provisional Approval from the ERC.

In May 2017, Vivant entered into a joint venture with ET Energy Pilipinas Holding Corporation (ET-Pilipinas). The joint venture was established for the purpose of exploring opportunities in the solar rooftop space. Through 100%-owned Vivant Energy and Vivant Renewables Energy Corporation (VREC), the Company initially had 60% ownership in the joint venture company, ET-Vivant Solar Corporation (ET-Vivant). In November 2019, Vivant Energy and VREC bought out ET-Pilipinas, making ET-Vivant a wholly-owned subsidiary of Vivant.

In May 2017, a Commencement/Stay Order was issued by the Cebu City Regional Trial Court (RTC) Branch 11 in favor of 48%-owned Vivant-Sta. Clara Northern Renewables Generation Corporation (NR) pursuant to a Petition for Corporate Rehabilitation. NR is the Administrator of the 70MW capacity of the BHPP. In October 2018, North Renewable Energy Corporation acquired all of Vivant Energy's and VREC's shareholdings in NR.

In December 2017, Vivant, through wholly-owned subsidiary VIGC, and Global Business Power Corporation (GBPC) signed a Pre-Development Agreement to jointly participate in a project that involved the construction and operation of a 2x335 MW coal fired power plant in La Union. This project will be undertaken through Global Luzon Energy Development Corporation, a special purpose vehicle that was set up where Vivant has an effective ownership of 42.5%.

Also, in December 2017, Vivant Energy and ICS Renewables Holdings, Inc. (ICS Renewables) executed a Deed of Sale with Assignment of Subscription Rights, which effectively transferred Vivant's ownership in Amlan Hydroelectric Power Corporation (AHPC) to ICS Renewables by year-end. A Deed of Sale with Assignment of Subscription Rights was likewise executed by Vivant Energy and ICS Renewables, which effectively transferred ICS Renewables' shares in 1590 EC to Vivant Energy. As of year-end 2017, Vivant Energy increased its equity stake in 1590 EC from 52.7% to 55.2%.

In May 2018, Sabang Renewable Energy Corporation (SREC) broke ground for the construction of a hybrid power generation facility in Bgy. Cabayugan, an unelectrified area in Puerto Princesa. The project is composed of a 1.4 MW solar power generation plant, a 2.3 MWh storage facility and a 1.28 MW diesel-fired power generation unit. SREC will be the first to operate a smart hybrid power plant facility in an off-grid area. In addition to generating power, SREC will also be responsible for distributing the electricity produced by the power plant to its consumers through its 14 km line under a Qualified Third-Party (QTP) Subsidy and Service Agreement with the National Power Corporation (NPC) and the Department of Energy (DOE). The Company has an effective ownership of 30% in SREC.

In June 2018, ET-Vivant purchased the shares of ET-Pilipinas in special purpose vehicle ET-Energy Island, Corp. (ETEI), the special purpose vehicle where all rooftop solar projects of Vivant are currently housed. In November 2019, ETEI declared commerciality for a 1.35MWp Solar Photovoltaic Plant in Mandaue City, Cebu. In the same month, Vivant Energy and VREC bought out ET-Pilipinas, making ETEI a wholly-owned subsidiary of Vivant.

In December 2018, the Company established Vivant Infracore Holdings Inc (VIHI), the holding company that Vivant will use to house its business interests across different segments in infrastructure.

In May 2019, Vivant Hydrocore Holdings Inc. (VHHI) was incorporated as Vivant's water-industry arm, which will invest in and manage a diversified water portfolio in the areas of bulk water supply, wastewater treatment and water distribution.

In June 2019, Vivant, through wholly-owned subsidiary VHHI, entered into an agreement with an Israeli firm, Watermatic International Ltd. (WMI), for the creation of a joint venture company Watermatic Philippines Corporation (WMP). This was part of Vivant's endeavors to diversify its investment portfolio to include infrastructure. WMP was envisioned to engage in the design, supply, installation, commissioning, operation, and maintenance of water treatment and waste water treatment plants. Vivant initially owned 50% of WMP. In November 2019, Vivant increased its stake in WMP to 60% through additional subscription of shares.

In November 2019, the Bantayan Electric Cooperative (BANELCO) concluded a successful CSP by awarding a 15-year contract to supply 15 MW of the island's energy requirements to Isla Norte Energy Corporation (INEC), the joint-venture of Vivant Integrated Diesel Corporation (VIDC), a wholly owned subsidiary of Vivant Energy, and Gigawatt Power Inc. (GPI) In February 2020, INEC and BANELCO signed the PSA. Vivant owns 65% equity in INEC through wholly-owned subsidiaries, VIDC and Vivant Energy. The power plant is currently under construction and is expected to be operational within the second half of 2021.

In February 2020, VHHI acquired a 45% equity stake in Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWS), which owns the Puerto Princesa Water Reclamation and Learning Center Inc (PPWRLC) in partnership with the Puerto Princesa City Government. The acquisition resulted in VHHI ultimately owning 40% in PPWRLC. PPWRLC is currently constructing a wastewater treatment facility to help rehabilitate the Puerto Princesa Bay.

In November 27, 2020, Pampanga II Electric Cooperative Inc. (PELCO II) awarded a 15-Year Power Supply Agreement for the Supply of 15 MW Peaking Requirement through a Build-Own-Operate Scheme to the consortium of Vivant Energy and GPI This was a result of a CSP that was conducted by the Third-Party Bids and Awards Committee of PELCO II.

In December 2020, Vivant signed an agreement to issue Php 3bn in FRCN with tenors of 2 years and 5 years. The offering was fully subscribed by a consortium of local banks. Proceeds of the issue will be used to finance capital expenditures for existing assets and investments in power generation and/or water infrastructure projects and partly to refinance the existing 7-year FRCN that will mature in February 2021.

2. Business of Issuer

Through its equity interests in its subsidiaries and associates, Vivant is in the business of electric power generation, electric power distribution, retail electricity supply and water infrastructure in the Philippines. (Please see Exhibit “A” for Vivant’s Corporate Structure).

POWER GENERATION

As of end-2020, Vivant Energy holds all of Vivant’s interests in the electric power generation business. To date, the Company has built a portfolio comprised non-renewable power generation plants with total attributable capacity of approximately 357MW. As of December 31, 2020, approximately 72% of Vivant’s net income from business segments was accounted for by its power generation business.

The table below summarizes the operating results of the generation companies as of December 31, 2020.

Generation Companies	Energy Sold ¹ (in GWh)			Revenue ² (in Php million)		
	2018	2019	2020	2018	2019	2020
GEOTHERMAL						
VIVANT ENERGY ³	151.2	69.7	-	916.4	987.6	-
COAL						
CEDC ⁴	1,861.1	1,777.2	1,787.0	9,728.2	8,570.6	7,718.7
MPC	817.3	969.4	943.2	6,460.3	6,391.9	5,613.0
TVI ⁵	224.5	1,532.7	1,901.1	701.9	6,254.3	8,490.2
DIESEL						
1590 EC	114.8	181.3	57.1	1,254.0	2,720.3	1,702.1
CPPC	66.5	115.1	27.5	1,253.2	1,684.6	997.7
Delta P ⁶	81.6	90.9	72.6	1,246.3	1,298.2	905.6
CIPC	33.0	38.3	30.2	494.4	569.4	423.3
INEC ⁷	-	-	0.9	-	-	27.9

Notes:

1. Figures are at 100%.
2. Figures are at 100%.
3. Through IPP Administration Agreements with PSALM, which was terminated in October 2019.
4. Includes billed minimum contracted energy.
5. TVI started operations in 2019. Unit 1 commenced commercial operations in April 2019 while Unit 2 commenced operations in August 2019.
6. DPI’s contract for its old facility expired in April 2020.
7. INEC entered into an interim supply agreement with the local cooperative and sold power through leased generation units starting August 2020.

Cebu Private Power Corporation (CPPC)

Incorporated on July 13, 1994, CPPC owns and operates one of the largest diesel power plants in the island of Cebu – the 10 Caterpillar-Mak-powered 70 MW Bunker C-fired power plant situated on a 1.8-hectare site in the old VECO compound at Brgy. Ermita, Cebu City.

Commissioned in 1998, the CPPC plant was constructed pursuant to a build-operate-transfer (BOT) contract to supply 62 MW of power to VECO.

On April 20, 2007, Vivant acquired from East Asia Utilities Corporation 40% of the outstanding common shares of CPPC. The remaining 60% of the outstanding common shares was acquired by Aboitiz Power Corporation (AP).

In December 2010, CPPC started selling its excess capacity to the Wholesale Electricity Spot Market (WESM).

In July 2013, CPPC and VECO filed an application for a new 10-year PSA with the ERC. Upon approval and implementation, the new agreement will redound to a slightly lower electricity rate for VECO. As of December 2020, the application for the new rate is still pending approval from the ERC.

Delta P, Inc. (DPI)

Established in 1997, DPI is an independent power producer in Palawan operating a 16 MW bunker-fired power plant with 4 units of 4 MW generator sets. In March 2007, GPI acquired the 100% interest of Wärtsilä Technology Oy Ab in DPI. In June 2007, GPI divested and sold a 20% equity stake in DPI to Vivant. Through wholly-owned subsidiary Vivant Energy, Vivant's equity stake increased to 35% in October 2007 through an additional share acquisition from GPI.

The power plant facility of DPI is located on a 25,981 sq.m. parcel of land leased from the City Government of Puerto Princesa at Kilometer 13, North National Highway, Barangay Santa Lourdes, Puerto Princesa, Palawan. Commercial operations started in May 1997 by virtue of a Lease Agreement with the NPC, which was scheduled to expire in April 2009. The power generated by the plant served a portion of the electricity requirements of PALECO.

On February 6, 2009, DPI and PALECO signed a PSA for DPI to directly supply PALECO'S power requirements for the next 10 years. DPI and PALECO filed a joint petition with the ERC for the approval of the PSA, which the latter granted on November 9, 2009.

In May 2015, a Share Purchase Agreement was executed between Vivant Energy and GPI, which resulted to a 50:50 equity ownership between the companies.

In December 2015, after the successful conduct of a CSP by PALECO, DPI was declared as the winning proponent and awardee of the 15-year PSA for a 26.65 MW Gross Dependable Capacity. Consequently, DPI embarked on an expansion program in 2016 involving the construction of a 30 MW diesel-fired power plant. In April 2016, DPI and PALECO filed a Joint Application with the ERC for the approval of the PSA. A public hearing was held on February 17, 2017. The power plant facility started to feed into the PALECO service area in the second quarter of 2017.

On February 6, 2019, a fire broke out in the old power plant of DPI which damaged 1 (out of 4) of the engines and the surrounding areas of the older facility. After the rehabilitation was done, 2 engines went back online within 17 days from the incident, and the 3rd engine was running by April 2019. After successfully supplying PALECO's power requirements for the past 10 years, the PSA of the old plant expired in April 2020.

Abovant Holdings, Inc. (AHI) and Cebu Energy Development Corporation (CEDC)

AHI was established in 2007 as a joint venture between Vivant and AP. The company's main purpose was to invest in a new power plant to be built in Barangay Daanlungsod, Toledo City, Cebu. AHI is 40% owned by Vivant (currently through wholly-owned VIGC) and 60% owned by AP (currently through wholly-owned Therma Power, Inc.).

AHI and Global Formosa Holdings, Inc. (Global Formosa), a joint venture between GBPC of the Metrobank Group and Formosa Heavy Industries, Inc., formed CEDC in December 2008 to build, own and operate a \$450 million (mn) 3 x 82 MW coal-fired power plant located in Toledo, Cebu utilizing the latest Circulating Fluidized Bed technology. Commercial operations commenced in 2011. With AHI's 44% stake in CEDC (Global Formosa owns the remaining 56%), Vivant's effective interest in CEDC is at 17.6%.

In October 2009, CEDC signed an Energy Power Purchase Agreement (EPPA) with VECO for the supply of 105 MW of electricity for 25 years. The application for approval was filed with the ERC in the same year and was approved in February 2010. To date, CEDC has signed other EPPAs with electric cooperatives and distribution utilities in Cebu and Bohol. The company's EPPAs will provide contracted minimum energy offtake with fuel cost as a pass-through.

1590 Energy Corporation (1590 EC)

In March 2010, a Memorandum of Agreement (MOA) was entered into between the PGLU, Vivant Energy and GPI wherein the parties agreed to enter into a Sale and Purchase Agreement (SPA) giving Vivant Energy and GPI exclusive right to purchase the 225 MW Bauang diesel-fired power plant (Bauang plant) owned by the PGLU until July 25, 2010.

On July 22, 2010, the MOA was amended granting Vivant Energy and GPI the right to an interim management and operation of the Bauang diesel-fired power plant and an extension of the SPA for 6 months or until January 26, 2011. Hence, Vivant Energy and GPI incorporated 1590 EC in July 2010 to undertake all the rights, interests and obligations under the Interim Agreement. On September 10, 2010, Vivant Energy and GPI with the conformity of PGLU transferred all their rights, interests and obligations under the Interim Agreement to 1590 EC.

In December 2010, 1590 EC formally signified its intent to purchase the diesel power plant, thus, a Contract to Sell (CTS) was executed between 1590 EC and the PGLU, the closing of which was subject to certain conditions. In May 2012, a Mutual Rescission Agreement (MRA) was entered into by 1590 EC and the PGLU, thus terminating the CTS. Simultaneously, a MOA was executed by both parties giving 1590 EC the right to preserve, maintain and operate, including the right to use and sell the power generated by the Bauang plant for a period of one year. In 2013, 1590 EC and the PGLU entered into an agreement to extend the term of the MOA up to end-2015. In February 2015, the parties executed a Second Amendment to the MOA extending the term of the MOA up to end-2018.

In January 2017, 1590 EC signed a 5-year ASPA with NGCP. This will involve the provision of Dispatchable Reserve on a non-firm basis. Effectivity of the contract will be upon receipt of a Provisional Approval by the ERC, which was obtained in May 2017.

In December 2017, Vivant Energy and ICS Renewables executed a Deed of Sale with Assignment of Subscription Rights, which effectively transferred ICS Renewables' shares in 1590 EC to Vivant Energy. As of year-end 2017, Vivant Energy increased its equity stake in 1590 EC from 52.7% to 55.2%.

In January 2018, through a bidding conducted by the PGLU, 1590EC was awarded the right to operate and maintain the 215-MW diesel bunker-fired power plant located in Bauang, La Union through a 5-year lease, which commenced in January 2019.

Vivant-Malogo Hydropower, Inc. (VMHI)

VMHI was incorporated in June 2012 as the project company to implement a greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facility in Barangay Kapitan Ramon in Silay City, which is located in the northwestern section of the Negros island. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The company has finalized the detailed engineering plans of the facility. Construction of the plant is estimated to be completed after a period of 22 to 24 months. Vivant, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved upon the completion of the Cebu-Negros-Panay 230kV backbone project of NGCP.

Vivant Energy holds an effective equity stake of 67% in VMHI.

Calamian Islands Power Corporation (CIPC)

CIPC was established in October 2010 as the project company to undertake the construction and operation of the 8 MW bunker- and 750 kW diesel-fired power plants in the municipalities of Coron and Busuanga, respectively. In August 2011, CIPC entered into a 15-year PSA with Busuanga Island Electric Cooperative covering the total capacity of the project. CIPC broke ground in April 2013. The Busuanga power station started feeding into the island's grid in the fourth quarter of 2013, while the Coron power station commenced power generation in August 2014.

Vivant Energy has an equity stake of 50% in CIPC.

Minergy Power Corporation (MPC)

MPC, formerly known as MCC, is the project company that was set up by Minergy to build, own and operate a 3x55 MW coal-fired power plant in Balingasag, Misamis Oriental. In May 2014, a Subscription Agreement between VIGC and MCC was executed which allows VIGC to subscribe to 40% of all issued capital and shares of MPC.

Construction commenced in the first quarter of 2014. The plant started to feed into the franchise area of CEPALCO, which covers the City of Cagayan de Oro and adjoining towns, in September 2017.

Therma Visayas, Inc. (TVI)

TVI is the project company that owns and operates the 2x170 MW coal-fired power plant in Barangay Bato, Toledo City, Cebu. The project is intended to address the increasing power demand of the Visayas grid. The plant design includes provisions for the addition of a third generating unit.

In May 2014, TVI signed an Engineering, Procurement, and Construction (EPC) contract with Hyundai Engineering Co., Ltd. And Galing Power Energy Co., Inc.

An agreement was executed in August 2014 between VIGC and TPI, which allowed VIGC to acquire a 20% equity stake in TVI. TPI, a wholly-owned subsidiary of Aboitiz Power, is the parent company of TVI.

Commercial operations for Unit 1 commenced in April 2019 and Unit 2 commenced commercial operations in August 2019.

Sabang Renewable Energy Corporation (SREC)

SREC is the project proponent for the construction and operation of a hybrid power generation facility in Bgy. Cabayugan, an unelectrified area in Puerto Princesa. As the QTP, SREC will supply and distribute power to customers comprising mainly of local residents. The QTP location which is the gateway to the Puerto Princesa Underground River, a UNESCO World Heritage Site, has been waived from the franchise area of PALECO. The facility, which broke ground in May 2018 and completed in November 2019, is composed of a 1.4 MW solar power generation plant, a 2.3 MWh storage facility and a 1.28 MW diesel-fired power generation unit. The Company has an effective ownership of 30% in SREC.

Culna Renewable Energy Corporation (CREC)

CREC is the project proponent for the construction and operation of hybrid facilities to supply Culion Island with a guaranteed dependable capacity of 1.96 MW and to supply Linapacan Island with guaranteed dependable capacity of 0.358 MW. The Culion Power Station will have a configuration of 2.42 MW Diesel Genset, 2.80 MWp Solar PV and a battery storage system while the Linapacan Power Station's installed capacity will be composed of 540 kW Diesel Gensets and 325 kWp Solar PV. A Joint Application for the approval of the PSA was filed by CREC and Busuanga Island Electric Cooperative, Inc. (BISELCO) with the ERC on July 17, 2017, which is pending resolution.

Isla Norte Energy Corporation (INEC)

INEC is the project company that was set up by the joint-venture of VIDC and GPI to construct and operate a 23 MW bunker-fired power plant in the island of Bantayan.

In February 2020, INEC entered into a 15-year PSA with BANELCO for the entire capacity of the plant. A Joint Application for the approval of the PSA was filed by INEC and BANELCO with the ERC on October 12, 2020. The power station currently in construction is composed of 2 x 7.496 MW diesel engines and 3 x 2.773 MW diesel engines, and is expected to be operational within the second half of 2021.

Pending the commercial operations of the power station, in April 2020, BANELCO signed an Interim Power Supply Agreement with INEC to augment the power requirements of the island of Bantayan through leased containerized diesel generating sets with a total capacity of 3 MW.

La Pampanga Energy Corporation (La Pampanga)

La Pampanga is the first on-grid joint-venture between Vivant Energy and GPI to construct and operate an embedded 15MW bunker-fired power plant in Porac, Pampanga. The capacity of the embedded plant will supply the peaking power and ancillary requirements of PELCO II pursuant to the 15-year PSA awarded to Vivant Energy and GPI after a successful conduct of CSP by PELCO II in 2020.

Future Projects

The Company continuously looks for opportunities in the power generation business, whether via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project’s land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers.

Notwithstanding the review and evaluation process undertaken, the Company cannot give the assurance that a project, if implemented, will be successful. There is no assurance that the Company will eventually develop a particular project in the manner planned or at or below the cost estimated by the Company.

ELECTRIC POWER DISTRIBUTION

In addition to investments in the power generation sector, the Company has investments in VECO, the second largest privately-owned distribution utility in the Philippines in terms of customers and annual GWh sales. As of end-2020, Vivant has a beneficial ownership in VECO of roughly 35%.

Visayan Electric Company (VECO)

VECO, through its predecessor, has been in the distribution business since the early 1900s. It is an electric distribution utility engaged in the conveyance, distribution and sale of electric power pursuant to its legislative franchise, Republic Act No. 9339, and serves the electrical needs of four cities (Cebu, Mandaue, Talisay and Naga), and four municipalities (Consolacion, Liloan, Minglanilla, and San Fernando), all located in the Province of Cebu. Its franchise was granted by the Congress of the Philippines and is due to expire in 2030. VECO’s service coverage is about 672 square kilometers serving 462,699 customers with a peak demand of 521 MW and electricity sales of 3,120 GWh in 2020.

The table below summarizes the key operating statistics of VECO for 2020 and the past 2 years.

	Electricity Sold (MWh)	Peak Demand (MW)	# of Customers
2018	3,159,032	547	437,823
2019	3,500,781	601	450,087
2020	3,119,850	521	462,699

VECO is among the distribution utilities included in the third group (Group C) of private utilities to shift to Performance Based Regulation (PBR). The ERC issued in May 2010 its final determination on VECO's application for approval of its annual revenue requirements and performance incentive scheme under the PBR for the regulatory period July 1, 2010 to June 30, 2014.

VECO was scheduled to undergo the PBR reset process in the first quarter of 2014. However, the company was not able to do so given that the ERC has since put on hold all PBR reset processes. As such, VECO has continued to apply the rates approved for the last year of the first regulatory period until such time it is able to undergo the ERC-mandated reset process.

RETAIL ELECTRICITY

With the thrust of providing sustainable solutions to meet the changing needs of its customers, the Company, through wholly-owned subsidiary Vivant Energy, expanded its retail electricity business to include three lines of businesses. These are Retail Electricity Supply, Solar Rooftop and Engineering Services.

Retail Electricity Supply

One of the objectives of the EPIRA law is to ensure the competitive supply of electricity at the retail level. With the implementation of the Retail Competition and Open Access (RCOA), large-scale customers will be allowed to source electricity from Retail Electricity Suppliers (RES) licensed by the ERC.

Vivant has prepared its organization for the RCOA with the establishment of 2 RES companies.

Prism Energy, Inc. (Prism Energy)

Prism Energy was incorporated in March 2009, as a joint venture between Vivant (40%) and AP (60%). The company obtained its five-year RES license in May 2012. Prism Energy is seen to service the requirements of the contestable customers in the Visayas region. License renewal process has been initiated and is just awaiting ERC decision.

As of year-end 2020, Prism Energy was serving 42 customers with a total average consumption of 14,859,682 kWh per month. The total electricity delivered to its customer base amounted to 178,316,187kWh in 2020.

Corenergy, Inc. (Corenergy)

Corenergy was incorporated in December 2012 as a wholly-owned subsidiary of Vivant, through Vivant Energy. The company obtained its 5-year RES license in September 2016 and is eyeing contestable customers in Luzon and Visayas regions.

As of yearend 2020, Corenergy served 5 customers with a total average consumption of 1,810,003 kWh per month. The total electricity delivered to its customers amounted to 21,720,035 kWh in 2020.

Solar Rooftop

Vivant Energy, through its subsidiary, started to offer customizable rooftop solar energy solutions, mostly to commercial and industrial customers.

Vivant Solar Corporation¹ (Vivant Solar)

formerly ET-Vivant Solar Corporation

As part of its venture into the retail business, Vivant, through wholly owned subsidiaries Vivant Energy and VREC, entered into a joint venture with ET-Pilipinas to construct and operate solar rooftop generation facilities. In March 22, 2018, ET-Vivant was incorporated with Vivant having a 60% equity stake therein. In November 2019, Vivant Energy and VREC bought out ET-Pilipinas, making ET-Vivant a wholly-owned subsidiary of Vivant.

As of December 2020, ETEI, ET-Vivant's wholly owned special purpose vehicle, completed a total of 1.35 MW solar rooftop facilities for industrial customers in Visayas and 0.65 MW solar rooftop facilities in Luzon. 3.08 MW of solar rooftop facilities for commercial and industrial customers in Luzon and Visayas are currently under construction.

Engineering Solutions

Coreenergy

In May 2019, Coreenergy added to its primary purpose the provision of engineering solutions as an ancillary service to both RES and Solar Rooftop customers. Utilizing its team of experts with decades-long experience in various segments of the power value chain, Coreenergy has offered engineering services intended to optimize electricity supply, improve the reliability of equipment and overall safety of workplaces.

¹ On November 9, 2020, the Securities and Exchange Commission issued a Certificate of Filing of Amended Articles of Incorporation approving the change of name of the corporation.

WATER INFRASTRUCTURE

Vivant continues to grow beyond the power business as it supports industries that improve everyday living. Through its wholly owned subsidiary VHHI, Vivant is on the look-out for opportunities in water infrastructure which relates to the provision of water and wastewater engineering and technological solutions bulk water supply, water distribution and wastewater treatment services.

Water Treatment Engineering and Design

As a new entrant with limited knowledge of the industry, Vivant saw the need to enter into a partnership with an entity that has the technical know-how and capability in engineering, design and construction phases.

Watermatic Philippines Corporation (WMP)

WMP was established in July 2019 as the joint venture company of Vivant, through VHHI, and its Israeli partner WMI. Vivant's 60%-owned subsidiary specializes in providing solutions for water treatment for a variety of needs including for industry, drinking water, and agriculture. WMP's services include the design, engineering, construction, installation and operations and maintenance of water and wastewater treatment systems. It also assists clients in the project pre-development stage by providing the necessary technical studies and assessment and designing systems that are tailor-fit to the client's specific needs.

Wastewater Septage and Sewerage Treatment

Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWS) and Puerto Princesa Water Reclamation and Learning Center, Inc. (PPWRLC)

FLAWS was formed by its original owners to own the PPWRLC in partnership with the Puerto Princesa City Government. In February 2020, VHHI acquired a 45% equity stake in FLOWS, which resulted in VHHI ultimately owning 40% in PPWRLC.

PPWRLC is currently constructing an innovative wastewater treatment facility to rehabilitate the Puerto Princesa Bay. It is the Joint Venture Company between the Private Sector Proponent, FLOWS, and the Local Government of Puerto Princesa City.

The facility is located at the City Baywalk in Barangay Matahimik where current outfalls directly discharge untreated sewage into the bay. In addition to treating wastewater, the project also aims to produce treated water for reuse, therefore, addressing the City's water supply requirements.

In January 2020, the project broke ground. Construction was suspended in March 2020 as a result of the restrictions brought about by the pandemic. In October 2020, the works resumed with a catch-up plan to address the delay. Completion of construction works, commissioning and testing of the facility are targeted within second quarter of 2021.

(ii) Sales

The table below sets forth comparative figures for revenue, profitability and assets.

(in Php mn)	2018	2019	2020
Gross Income	4,280.3	5,979.6	3,771.3
Operating Income	1,838.4	2,927.1	2,048.8
Total Assets	17,197.3	20,864.1 ^a	22,581.0

Note:

- a. Reported as Php 20,867.0 mn in the SEC 17A FY 2019 report. The change is due to the restatement of the valuation for business combination which was determined provisionally in 2019 as allowed by PFRS 3, Business Combinations, for the investment in WMP.

The operations of Vivant, its subsidiaries and associates are based only in the Philippines.

Revenue contribution by business grouping is as follows:

	2018		2019		2020	
	Php mn	%-tot	Php mn	%-tot	Php mn	%-tot
Power Generation	3,421.3	80	4,911.0 ¹	82	2,882.8	76
Power Distribution	720.2	17	785.1	13	579.0	15
Retail Electricity	21.7	0	130.2 ²	2	150.2	4
Water Infrastructure	-	-	-	-	97.0	3
Others	117.1	3	153.4 ³	3	62.2	2
Total	4,280.3	100	5,979.6	100	3,771.3	100

Notes:

1. Reported as Php 4,986.4 mn (83% of total) in the SEC 17A FY 2019 report. The change in the amount is made to be consistent with the classification in the SEC 17A FY 2020 report.
2. Reported as Php 36.2 mn (or 1% of total) in the SEC 17A FY 2019 report. Revenues from engineering services is classified from Others to Retail Electricity to be consistent with the classification in the SEC 17A FY 2020 report.
3. Reported as Php 172.0 mn in the SEC 17A FY 2019 report.

(iii) Distribution Methods of Products and Services

Power Generation

The generation companies sell their electricity either through the WESM or through bilateral PSAs with private distribution utilities, cooperatives, RES and other large end-users.

Most of the generation companies have transmission service agreements with the NGCP for the transmission of electricity to the designated delivery points of their customers. Some have built their own transmission lines to directly connect to their customers.

Electric Power Distribution

The distribution company has an exclusive distribution franchise in the area where it operates. It has its own distribution network consisting of an extensive network of predominantly overhead lines and substations. An agreement with NGCP is likewise entered into to facilitate the use of NGCP's transmission facilities to receive power from its IPPs, NPC and/or PSALM for distribution to its respective customers.

Retail Electricity

Retail Electricity Supply

The RES companies entered into supply contracts with its existing customers. As of year-end, Prism Energy was serving 42 customers with a total average consumption of 14,859,682kWh per month. The total electricity delivered to its customer base amounted to 178,316,187kWh in 2020. Corenergy on the other hand served 5 customers during the year with a total average consumption of 1,810,003 kWh per month. The total electricity delivered to its customer base amounted to 21,720,035 kWh in 2020.

Solar Rooftop

Vivant Solar and ETEI entered into contracts with various industrial and commercial customers in Luzon and Visayas for the construction and installation of rooftop solar facilities and supply of solar power.

Engineering Solutions

Corenergy entered into services contracts with customers to provide tailored engineering solutions for the individual facilities of the customers.

Water Infrastructure

Water Treatment Engineering and Design

WMP entered into agreements with water and wastewater private developers, and other off-takers such as water districts and Local Government Unit (LGU)-run water entities. The agreements with the customers of WMP included full (i) engineering and design, procurement, and construction, and (ii) water process design, installations and commissioning, for both water and wastewater treatment.

Wastewater Septage and Sewerage Treatment

The National Program on Sewerage and Septage Management is founded under Republic Act No. 9275, otherwise known as the "Philippine Clean Water Act of 2004". Under the said law, water districts were required to provide sewerage or septage management services and LGUs were mandated to share with the local water utilities the responsibility in the management and improvement of water quality within their territorial jurisdictions.

LGUs such as the City of Puerto Princesa in the Province of Palawan have established ordinance on proper sewage and septage management system in their jurisdictions with user fees and funding provisions.

Through the Joint Venture and Service Agreement with the City of Puerto Princesa, PPWRLC will rehabilitate the Puerto Princesa Bay from wastewater contamination. At the same time, it will provide septage services to the residents of Puerto Princesa City in partnership with the Puerto Princesa City Water District. It will also have a learning center as a venue for environmental advocacy and education on wastewater treatment process.

(iv) New Products and Services

Neither Vivant, nor its subsidiaries and associates, have any publicly-announced new product or service to date, apart from the ongoing greenfield, rehabilitation or expansion projects being undertaken.

(v) Competition

Power Generation

Vivant, through the facilities of its power generation subsidiaries and associates located in Luzon, Visayas and Mindanao, faces competition from other power generation plants that supply electricity to these island grids. Given the privatization of NPC-owned power generation facilities, the Company has to contend with local and multinational IPPs for signing PSAs and offering power supply through the WESM (where applicable).

The retail competition has further intensified the competition landscape for securing bilateral contracts. Generation companies have set up their RES operations to tap the contestable customers, which are currently large end-users with a monthly peak average demand of at least 750 kW for the preceding 12 months. Further competition can be brought about by entities that established RES operations by acting as demand aggregators. Customer migration could result to the reduction of existing supply contracts of power generation companies with distribution utilities. Negotiations for new contracts could result to less favorable terms given the current scenario.

Competition in the development of new power generation facilities, the acquisition of existing power plants and financing these undertakings could also be expected. Given the robust performance of the industry in the last couple of years, many investors have been attracted to participate and explore opportunities in the development of electric power generation projects, both in the renewable and non-renewable energy spectrum.

Electric Power Distribution

VECO has an exclusive franchise to distribute electricity in the area covered by its franchise.

Under Philippine law, the franchise of any distribution utility may be renewed by the Congress of the Philippines, provided that requirements relating to the rendering of public services are met. VECO intends to apply for the extension of its franchise upon its expiry. Competition or opposition from third parties may arise while the application for the extension of its franchise is underway. However, under the Philippine law, a party wishing to secure a franchise to distribute electricity must first obtain from the ERC a Certificate of Public Convenience and Necessity and shall prove that such party has the technical and financial capability to operate a distribution franchise. Ultimately, it is the Philippine Congress that has absolute discretion in determining whether to issue new franchises or renew existing franchises.

Customer migration has transpired as contestable customers opted to source their electricity requirements via Retail Supply Contracts with licensed RES operators. As of date, the current threshold for voluntary participation of a contestable customer is monthly peak average demand of at least 500 kW for the preceding 12 months. The reduction from 1 MW to 750 kW and 500 kW was implemented through DOE Department Circular No. DC2017-12-0013. In the same circular, the DOE also provided for voluntary demand aggregation of electricity end-users within a contiguous area whose aggregate average peak demand is not less than 500 kW for the preceding 12 months.

Retail Electricity

Retail Electricity Supply

Vivant participates in the retail electricity market through Corenergy and Prism Energy. Competition has increased as more companies register as Retail Electricity Suppliers (RES). As of yearend-2020, there were 46 registered RES companies with the ERC.

Solar Rooftop

The renewable energy industry, particularly distributed generation through solar rooftops has been sustaining an upward trend for the past 3 years. The entry of regional players in the Philippines made the competitive environment attractive for consumers who are looking for lower levelized cost of electricity.

Engineering Solutions

Vivant provides engineering solutions through Corenergy. The past 3 years have seen an upward trend of demand in engineering solutions services mainly from the energy and industrial sector. Corenergy competes with both local and foreign companies to address varying service demands from testing and maintenance to design and engineering studies. Competition for testing and maintenance works has been tight as more companies are investing in widely-available, low end test equipment, compared to the high-class test equipment utilized by Corenergy. For design and engineering studies, the main drivers in competition are the results of previous projects and customer satisfaction. Corenergy maintains competitive prices through its shared services and network of consultants.

Water Infrastructure

Water Treatment Engineering and Design

The competition on the water EPC of conventional water treatment sourcing from surface waters such as rivers and lakes has been tight even before WMP's entry into the industry. However, with the rising number of water-scarce cities and municipalities, demand for conventional water treatment has slowed down and shifted to more sustainable and innovative treatment technologies, such as seawater desalination. Desalination, although a proven technology worldwide, has not been implemented in the Philippines in a utility scale. It is expected that competition will increase with the entry of international providers with footprints within the South and Southeast Asian Region due to increase in market demand.

Wastewater Septage and Sewerage Treatment

In the Philippines, with only 10% of the wastewater being treated before reaching waterways, there is a huge unserved market and an opportunity for Vivant to contribute in the implementation of the National Sewerage and Septage Management Program. The demand for septage and sewerage solutions has rapidly increased over the last 5 years due to the increased awareness on the effects of poor sanitation to the waterways, which was highlighted in the wastewater issue in the island of Boracay. To date, there is little competition over the wastewater industry space. However, given the huge requirement of treating wastewater, it is expected that there will be an increase in the number of players in the industry.

FLAWS, through its concept of combined sewerage and septage treatment in one facility, is offering a solution by bridging the gap between septage and sewerage programs thus, fast-tracking the implementation of a full-scale sanitation program for cities and municipalities in accordance with the mandate under the Clean Water Act of 2004.

The PPWRLC is a product of the Public Private Partnership or Joint Venture Ordinance of the City of Puerto Princesa which serves as the vehicle to implement the combined sewerage and septage treatment program in the city.

(vi) Sources of Raw Materials and Supplies

Power Generation

Once operational, the Company's hydroelectric power generation plant will harness the kinetic energy from the flow of water on rivers to generate electricity. This hydroelectric company will possess a water permit issued by the National Water Resources Board (NWRB), which will allow it to utilize a certain volume of water from the applicable source of water flow to generate energy.

In the case of the fossil-fired power generation plants, fuel supply contracts with various suppliers have been entered into. Oil-fired plants have existing medium-term (2-3 years) contracts with local large oil companies and fuel distributors. The coal plant sources its fuel requirements via medium to long-term supply contracts with various suppliers.

Electric Power Distribution

VECO secured bulk of its electricity requirements by entering into bilateral agreements with various IPPs. These agreements are governed by the ERC regulations. Under current rules, VECO is allowed to purchase up to 90% of its total electricity requirements via bilateral contracts.

Below are the power purchase agreements of VECO in 2020.

Supplier	Contract Demand	Start Date	Expiry Date
CEDC	90.5 MW	Mar 2011	Feb 2036
Greencore	51 MW	Jan 2011	Dec 2024
CPPC	61.72 MW	Old PSA has been extended pending ERC approval of new PSA. New PSA will be 10 years from date of ERC approval.	
TVI	150MW	April 2019	March 2034
SLPGC	50 MW	Jan 2016	Jun 2018

Given the impact of RCOA on its market, VECO will continue to review its contracts profile and negotiate, if necessary, for the reduction of its bilateral agreements.

Retail Electricity

Retail Electricity Supply

COREnergy

Supplier	Contracted Capacity	Start Date	End Date
Kepeco-SPC Power Corporation	5MW	December 26, 2019	December 25, 2020

PRISM

Supplier	Maximum Contracted Energy	Start Date	End Date
Therma Visayas, Inc.	3,600 kw	December 26, 2019	December 25, 2020

Solar Rooftop

The modules of the photovoltaic (PV) plants are solid-state devices that convert sunlight, the most abundant energy source on the planet, directly into electricity without an intervening heat engine or rotating equipment. Photovoltaic cells are made of various semiconductors, which are most commonly composed of silicon (Si) and compounds of cadmium sulphide (CdS), cuprous sulphide (Cu₂S), and gallium arsenide (GaAs). These cells are packed into modules that produce a specific voltage and current when illuminated. The PV systems rely on sunlight, have no moving parts, are modular to match power requirements on any scale, are reliable, and have a long life.

Engineering Solutions

Corenergy's testing equipment are sourced from reputable brands like Omicron and Fluke. Both are multinational companies and leading providers in diagnostic, testing and commissioning tools in their respective categories.

Water Infrastructure

Water Treatment Engineering and Design

WMP's equipment and materials are sourced from various manufacturers through supply contracts. It has established a wide network of water and wastewater treatment process manufacturers and raw material suppliers that can deliver even purpose-built process equipment based on client's specific requirements.

Wastewater Septage and Sewerage Treatment

Part of the rehabilitation efforts for Puerto Princesa Bay is the diversion of polluted or wastewater into PPWLRC's facility to undergo treatment and therefore, improve the quality of water being discharged into the Bay.

A septage component is also incorporated in the wastewater treatment facility, where wastewater siphoned from septic tanks is treated. The septage treatment will primarily be dewatering of the sludge and treating the wastewater thereafter. With this component, the facility will be able to provide septage treatment services in addition to the capture and clean-up of polluted water.

PPWLRC will conduct detailed study on the provision of additional sewerage services to the City with a view to constructing additional sewerage facility in its service area. This is aligned with the City's goal of undertaking various development projects on its coastline and addressing the wastewater issue associated with such developments.

(vii) Major Customers

Power Generation

The bulk of the total attributable electricity generated by Vivant, through its subsidiaries and associates, are sold to private distribution utilities, electric cooperatives, NGCP, RES and some large industrial users via bilateral agreements. The balance is sold through the WESM. For the year 2020, Vivant had a 92:8 sales mix that was in favor of energy sales covered by sale contracts.

Electric Power Distribution

Vivant's distribution business, on the other hand, has a wide and diverse customer base. The distribution utility's customers are categorized as follows:

- **Industrial customers:** consist of large-scale consumers of electricity within a franchise area, such as factories, plantations and shopping malls.
- **Residential customers:** consist of structures utilized for residential purposes
- **Commercial customers:** include service-oriented businesses, universities and hospitals
- **Other customers:** include streetlights

Retail Electricity

Retail Electricity Supply

- **Industrial customers:** consist of large-scale consumers of electricity such as factories, plantations and, manufacturing.
- **Commercial customers:** include service-oriented businesses, universities and hospitals and shopping malls

Solar Rooftop

- **Industrial customers:** consist of large-scale consumers of electricity such as factories, plantations and, manufacturing.
- **Commercial customers:** include service-oriented businesses, universities and hospitals and shopping malls

Engineering Solutions

- **Power Plants:** HFO Bunker & Diesel Power Plants and Biogas Power Plants
- **Industrial customers:** consist of large-scale consumers of electricity such as factories, plantations and, manufacturing.
- **Commercial customers:** include service-oriented businesses, universities, hospitals and shopping malls

Water Infrastructure

Water Treatment Engineering and Design

A substantial portion of WMP's current customer base consists of water and wastewater developers with whom WMP entered into agreements for synergy as co-developers of water system projects.

Wastewater Septage and Sewerage Treatment

The primary customer for Vivant's wastewater business, through PPWLRC, will be the LGU of Puerto Princesa City for the sewerage services and the customers connected to the Puerto Princesa Water District for the septage services.

(viii) Transactions With and/or Dependence on Related Parties

Vivant and its subsidiaries and associates, in their regular conduct of business, have entered into related party transactions where Vivant, as parent company, provides 2 types of professional services: (1) strategic and technical, and (2) corporate center services.

Functions covered would include business development, corporate finance, legal and human resources among others. These services are rendered by Vivant to allow efficient transfer of business and technical expertise, thus improving cost efficiencies and synergies. Vivant houses a pool of highly qualified professionals with business expertise relating to the business of the Vivant Group. Service Level Agreements are in place to ensure the quality of service and competitive pricing.

Aside from the abovementioned, below are other services provided to and/or transactions entered into by Vivant with related parties in 2020.

- Vivant issued corporate guarantees for the following transactions:
 - Application for and the issuance of a domestic Standby Letter of Credit (SBLC) in behalf of an investee company relating to its debt service for its long-term project loan;
 - Foreign exchange hedging transaction entered into by an investee company that owns and operates a 300 MW coal fired power generation plant in Toledo City, Cebu.

- Vivant, on behalf of an investee company, applied for the issuance of a domestic SBLC to comply with the bid security requirement of a water distribution utility.

- Vivant, on behalf of a subsidiary, applied for the issuance of a domestic SBLC to comply with the bid security requirement for a potential joint venture project.

- Vivant, on behalf of a subsidiary, applied for the issuance of a domestic SBLC to comply with the performance requirement relating to a joint venture project.

- Vivant entered into agreements with Mai-I Resources Corporation (MRC) and JEG Development Corporation (JDC), its stockholders, to perform consultancy services for the companies.

- Vivant has an outstanding lease agreement with a certain subsidiary involving rental of its commercial office space.

- Vivant granted an interim loan facility to an associate for the development of a combined sewerage and septage facility serving the City of Puerto Princesa.

(ix) Government Approvals, Patents, Copyrights, Franchises

Power Generation

Under the EPIRA, the power generation business is not considered a public utility operation. However, there are standards, requirements and other terms and conditions set by the ERC that each existing and potential generation company should comply with. Once met, the ERC will issue a Certificate of Compliance (COC) that will allow the operation of the power generation facilities. A COC is valid for a period of 5 years from the date of issuance.

Hydroelectric power generation facilities, on the other hand, are required to obtain water permits from the NWRB. The said permit would indicate the approved water source and allowable volume of water that can be used by these facilities in generating power. The water permits do not have expiry dates and are usually not terminated as long as the holder of the permit is able to meet the terms indicated therein.

A generation company that operates a facility connected to the Grid must make sure that the technical design and operational criteria of the Philippine Grid Code and Philippine Distribution Code are met.

Power purchase agreements signed with both private distribution utilities and electric cooperatives are required to be evaluated and approved by the ERC.

Vivant and its subsidiaries and associates involved in the generation business have no pending applications for the registration of intellectual property rights for any trademark associated with its and its subsidiaries' and associates' corporate names and logos.

Electric Power Distribution

Electricity distribution is a regulated public utility business under the EPIRA. It requires a franchise that can be granted only by the Congress of the Philippines. A Certificate of Public Convenience and Necessity from the ERC is also needed to operate a public utility.

VECO's franchise is set to expire in 2030.

Given that the cost of purchased power is allowed to be passed on to the end-users, all power purchase agreements signed with power generation companies are required to be evaluated and approved by the ERC.

VECO has no pending application for the registration of intellectual property rights for any trademark associated with its corporate name and logo.

Retail Electricity

Retail Electricity Supply

With the implementation of the RCOA, the business of supplying electricity is not considered as a public utility operation under the EPIRA. However, proprietors of this business are required to obtain a license from the ERC in accordance with the ERC's rules and regulations. Vivant has two RES companies:

- Prism Energy, which is 40%-owned by Vivant, was awarded its license in May 2012.
- Corenergy, which is a wholly-owned subsidiary, was awarded its license in September 2016.

Vivant and its subsidiaries and associates involved in the retail electricity supply business have no pending applications for the registration of intellectual property rights for any trademark associated with its and its subsidiaries' and associates' corporate names and logos.

Solar Rooftop

With the regulatory framework of the Net Metering Program in place, installation of solar facilities in commercial and industrial settings increased over the past years. For the installation, operation and maintenance of rooftop solar facilities, proprietors are required to secure permits and licenses from the ERC and other government agencies. In addition, the proprietor is required to request from its local distribution utility to participate in the Net-Metering Program.

Vivant and its subsidiaries and associates involved in the solar rooftop business have no pending applications for the registration of intellectual property rights for any trademark associated with its and its subsidiaries' and associates' corporate names and logos.

Water Infrastructure

Water Treatment Engineering and Design

There is an increasing participation and investment from the private sector to address the infrastructure gap in the water sector for the provision of bulk water supply, sewerage and water distribution services.

The primary regulatory agencies in the industry include the National Water Resources Regulatory Board (NWRB), the Local Water Utilities Authority (LWUA), the various LGUs, and the special regulatory units such as the Metropolitan Waterworks and Sewerage System (MWSS).

Private entities that develop bulk water treatment plants and enter into bulk water supply agreements with water districts are required to secure a water right from the NWRB.

For private entities that provide water distribution services, a Certificate of Public Convenience issued by NWRB and a concession agreement with a LGU is required.

Vivant and its subsidiaries and associates involved in the water treatment engineering and design business have no pending applications for the registration of intellectual property rights for any trademark associated with its and its subsidiaries' and associates' corporate names and logos.

Wastewater Septage and Sewerage Treatment

Another area where the private sector may engage in is the treatment and sanitization of wastewater through Public-Private-Partnership models with the LGU to develop, operate and maintain wastewater treatment systems.

Vivant and its subsidiaries and associates involved in the wastewater septage and sewerage treatment business have no pending applications for the registration of intellectual property rights for any trademark associated with its and its subsidiaries' and associates' corporate names and logos.

(x) Effect of Existing or Probable Governmental Regulations

Corporate Recovery and Tax Incentives for Enterprises (CREATE Act)

On March 26, 2021, Republic Act No. 11534 otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act" was signed into law to attract more investments and maintain fiscal prudence and stability in the Philippines by introducing reforms to the corporate income tax and incentives systems.

Taking effect on April 11, 2021, the following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

1. Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 mn and with total assets not exceeding Php100 mn (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
3. Effective January 1, 2021, income tax rate for nonresident foreign corporation is reduced from 30% to 25%.
4. Preferential income tax rate for proprietary educational institutions and hospitals which are nonprofit is reduced from 10% to 1% effective July 1, 2020 to June 30, 2023.
5. Effective January 1, 2022, regional operating headquarters (ROHQ) currently enjoying 10% preferential income tax rate shall be subject to RCIT.
6. Imposition of improperly accumulated earnings tax (IAET) is repealed.

7. Foreign-sourced dividends received by domestic corporations are exempt from income tax subject to the following conditions:
 - The funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation in the Philippines within the next taxable year from the time the foreign-sourced dividends were received;
 - Shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure project; and
 - The domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shareholdings for a minimum of 2 years at the time of the dividend distribution.
8. Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% special corporate income tax (SCIT) or enhanced deductions (ED).
9. Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED.
10. For investments prior to effectivity of CREATE:
 - Registered business enterprises (RBEs) granted only an ITH – can continue with the availment of the ITH for the remaining period of the ITH.
 - RBEs granted an ITH followed 5% GIT or are currently enjoying 5% GIT – allowed to avail of the 5% GIT for 10 years.

The Bayanihan to Recover as One Act (BAYANIHAN Act II)

On September 11, 2020, Republic Act No. 11494, otherwise known as the “Bayanihan to Recover As One Act” (Bayanihan Act II), was signed into law which provides a P165-billion economic stimulus and relief package to sustain the government’s efforts against the the Corona Virus Disease 2019 (COVID-19) pandemic. Section 4 (bbbb) of the BAYANIHAN Act provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next 5 consecutive taxable years immediately following the year of such loss.

Tax Reform for Acceleration and Inclusion Law (TRAIN Law)

On 19 December 2017 Republic Act No. 10963 otherwise known as the “TRAIN Law” was enacted which in effect amended several provisions of the National Internal Revenue Code of 1997 (NIRC). The TRAIN Law aims to make the tax system of the country simpler, fairer, and more efficient in order to promote investment, reduce poverty and create jobs.

The salient revisions made under the TRAIN Law are as follows:

1. Donor's Tax – The donor's tax new rate is 6% of total gifts in excess of Php250,000.00 which is also applicable if the donee is a stranger. The TRAIN Law likewise provides that a bona fide at arm's length and donative-intent free sale, exchange, or other transfer of property made in the ordinary course of business shall be considered as made for an adequate and full consideration in money or money's worth and is therefore not subject to the donor's tax.
2. Excise Tax on Petroleum Products – The tax rates on petroleum products were increased which would be implemented in 3 tranches starting January 1, 2018 to January 2020.
3. Excise Tax on Mineral Products – The excise tax rate on domestic or imported coal and coke was likewise increased in 3 tranches at Php50.00 on 2018, Php100.00 on 2019, and Php150.00 on 2020.
4. Value Added Tax - The TRAIN Law broadened the Value Added Tax (VAT) base by adding several VAT exempt transactions. The VAT exempt threshold was likewise increased from Php1,919,500.00 to Php3 mn. Sale of electricity by electric cooperatives are now subject to VAT. Furthermore, the foreign currency denominated sales were removed from VAT zero-rating.
5. Documentary Stamp Tax – Most of the documentary stamp tax (DST) rates were increased by 100% except for the DST on debt instruments which was only increased by 50%. Meanwhile, the DST on policies of insurance upon property, fidelity bonds and other insurance, indemnity bonds, and deeds of sale, conveyances, and donation of real property remained unchanged.
6. Foreign Currency Deposit Unit – The final tax imposed on interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system was increased from 7.5% to 15%.

The TRAIN Law also repealed Section 9 of Republic Act No. 9511 otherwise known as the “National Grid Corporation of the Philippines Act” which in effect removed the VAT exemption of concession agreements with the PSALM.

Revised Corporation Code (RCC)

The Republic Act No. 11232 otherwise known as the Revised Corporation Code was signed into law by President Rodrigo Duterte on February 20, 2019 and became effective on February 23, 2019.

The salient provisions in the RCC are as follows:

1. Corporate Perpetual Term – Corporations are now allowed to exist beyond the 50-year term provided in the old Corporation Code.
2. Participation via Remote Communications in Absentia – Remote communication such as videoconferencing and teleconferencing during stockholders' meetings are now allowed. Moreover, the stockholders may now participate and vote in absentia.
3. Emergency Board – The RCC allows an emergency board when a vacancy in a corporation's board of directors prevents the remaining directors from consulting a quorum and consequently from making emergency action required to prevent grave, substantial, and irreparable loss or damage.

The RCC likewise imposed additional requirements to corporations which are vested with public interest. The following corporations are considered vested with public interest under the RCC:

1. Corporations covered by Section 17.2 of Republic Act No. 8799, otherwise known as the "Securities Regulation Code" (SRC), including those whose securities are registered with the Securities and Exchange Commission (SEC), corporations listed with an exchange or with assets of at least Php50,000,000.00 and have two hundred (200) or more holders of shares, each holding at least one hundred (100) shares of a class of its equity shares;
2. Banks and quasi-banks, NSSLAs, pawnshops, corporations engaged in money service business, preneed, trust and insurance companies, and other financial intermediaries; and
3. Other corporations engaged in businesses vested with public interest similar to the above, as may be determined by the SEC.

The foregoing corporations vested with public interest must:

1. Elect independent directors constituting at least twenty percent (20%) of the board as well as a compliance officer.
2. Submit to their shareholders and the SEC an annual report of the total compensation of each of their directors/trustees and directors/trustees' appraisal or performance report with the standards or criteria used to assess each director/trustee.
3. Material contracts involving dealings of its directors, trustees, or officers must be approved by at least two-thirds (2/3) of the entire membership of the board, with at least a majority of the independent directors voting.

Furthermore, the RCC provides that the Congress may set a maximum limit for stock ownership of individuals or groups of individuals related to each other by consanguinity, affinity, or by close business interests, in corporations declared to be vested with public interest pursuant to the RCC, or whenever necessary to prevent anticompetitive practices as provided in Republic Act No. 10667 otherwise known as the “Philippine Competition Act”, or to implement national economic policies designed to promote general welfare and economic development, as declared in laws, rules, and regulations.

Securities Regulation Code (SRC)

Republic Act No. 8799 otherwise known as the Securities Regulation Code (SRC) was enacted on July 19, 2000. The SRC aims to establish a socially conscious and free market that regulates itself and encourage the participation of ownership in enterprises. It likewise seeks to protect the interest of the public by eliminating insider trading and other fraudulent or manipulative devise and practices which create distortions in the free market.

Under the SRC, any corporation listed in the exchange or with assets in excess of Php50,000,000.00 and having two hundred (200) or more holders, at least of two hundred (200) of which are holding at least one hundred (100) shares or which has sold a class of equity securities to the public shall have at least two (2) independent directors or such independent directors shall constitute at least twenty percent (20%) of the members of such board whichever is the lesser.

An independent director has been defined under the SRC as a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgement in carrying out the responsibilities of a director.

Data Privacy Act (DPA)

On July 25, 2011 Republic Act No. 10173 otherwise known as the “Data Privacy Act” was enacted in order to protect the fundamental human right of privacy and communication. The DPA seeks to protect all forms of information, personal, private, or sensitive of both natural and juridical persons. The National Privacy Commission (NPC), an independent body, was tasked to administer and implement the DPA and monitor and ensure compliance thereof.

The DPA laid out the following general data privacy principles that must be complied with in the processing of personal information:

1. Collected for specified and legitimate purposes determined and declared before, or as soon as reasonably practicable after collection, and later processed in a way compatible with such declared, specified and legitimate purposes only;
2. Processed fairly and lawfully;
3. Accurate, relevant and, where necessary for purposes for which it is to be used the processing of personal information, kept up to date; inaccurate or incomplete data must be rectified, supplemented, destroyed or their further processing restricted;
4. Adequate and not excessive in relation to the purposes for which they are collected and processed;

5. Retained only for as long as necessary for the fulfillment of the purposes for which the data was obtained or for the establishment, exercise or defense of legal claims, or for legitimate business purposes, or as provided by law; and
6. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data were collected and processed.

The DPA further requires the Personal Information Controller² (PIC), to do the following:

1. Registration of personal data processing systems operating in the country that involves accessing or requiring sensitive personal information of at least 1,000 individuals, including the personal data processing system of contractors, and their personnel, entering into contracts with government agencies;
2. Notification of automated processing operations where the processing becomes the sole basis of making decisions that would significantly affect the data subject;
3. Annual report of the summary of documented security incidents and personal data breaches; and,
4. Compliance with other requirements that may be provided in other issuances of the NPC.

However, PIC or Personal Information Processor³ (PIP) that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes sensitive personal information of at least 1,000 individuals.

The DPA also requires the PIC and PIP to: 1) designate a protection officer who shall be accountable for ensuring compliance with the applicable laws and regulations for the protection of data privacy and security; 2) implement appropriate data protection policies that provide for organization, physical, and technical security measures of the data; 3) maintain records that sufficiently describe its data processing system, and identify the duties and responsibilities of those individuals who will have access to personal data; and 4) review the data protection policies.

The DPA likewise allows data sharing in the following instances:

1. Data sharing is expressly authorized by law and adequate safeguards for data privacy and security, and processing adheres to the principle of transparency, legitimate purpose and proportionality.
2. Data sharing in the private sector if the data subject consents to the data sharing with certain conditions indicated in the DPA that should likewise be complied with

² This refers to a natural or juridical person, or any other body who controls the processing of personal data, or instructs another to process personal data on its behalf.

³ Refers to any natural or juridical person or any other body whom a personal information controller may outsource or instruct the processing of personal data pertaining to a data subject.

3. Data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available, or has the consent of the data subject for purpose of research. It should likewise be ensured that adequate safeguards are in place, and no decision directly affecting the data subject shall be made on the basis of the data collected or processed. The rights of the data subject shall be upheld without compromising research integrity.
4. Data sharing between government agencies for the purpose of a public function or provision of a public service shall be covered a data sharing agreement.

On March 14, 2017, the NPC issued NPC Advisory No. 2017-01 entitled “Designation of Data Protection Officers” which mandated the PIC or PIP to designate an individual/s who shall function as a Data Privacy officer (DPO). The DPO shall be accountable for ensuring the compliance by the PIC or PIP with the DPA, its Implementing Rules and Regulations (IRR), issuances of NPC, and other applicable laws and regulations to privacy and data protection. To ensure that the data subjects may able to reach out to the DPO, the PIC or PIP must publish the DPO’s contact details (title/designation, postal address, telephone number and email address) in, at least, the following materials:

1. Website
2. Privacy Notice
3. Privacy Policy
4. Privacy Manual or Privacy Guide

Transfer Pricing Guidelines

In order to prescribe the guidelines in determining the appropriate revenues and taxable income in transactions by and between related parties, the Bureau of Internal Revenue (BIR) on January 23, 2013 issued Revenue Regulations (RR) No. 2-2013 entitled “Transfer Pricing Guidelines.” The provisions in the guidelines are mainly based on the arm’s length methodologies set forth under the Organisation for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines.

In order to ensure that the proper disclosures of related party transactions (RPT) are made and conducted at arm’s length the BIR issued RR No. 19-2020 requiring the submission of the BIR Form No. 1709 and its supporting documents. The BIR then issued RR No. 34-2020 which prescribes for the guidelines and procedures for the submission of the BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other supporting documents.

Under RR No. 34-2020, the following taxpayers are required to file and submit the RPT Form together with the Annual Income Tax Return (AITR): 1) Large Taxpayers; 2) Taxpayers enjoying tax incentives; 3) Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and 4) A related party, as defined under Section 3 of RR No. 19-2020, which has transactions with (a), (b) or (c).

The said taxpayers are likewise required to submit TPDs if it has an annual gross sales/revenue for the subject taxable period exceeding Php150 mn and the total amount of RPT with foreign and domestic related parties exceeds Php90 mn.

Moreover, the TPDs should also be submitted if the RPT meets the following thresholds: 1) if the transaction involves sale of tangible goods in the aggregate amount exceeding Php60 mn within the taxable year; 2) if the transaction involves service transaction, payment of interest, utilization of intangible goods or other RPT in the aggregate amount exceeding Php15 mn within the taxable year; or if TPD was required to be prepared during the immediately preceding taxable period for exceeding either 1 or 2.

Policies related to the Power Industry

Given the changing landscape of the power industry brought about by the enactment of the EPIRA law in 2001, the following have had, will have or may have considerable impact on Vivant's businesses:

Wholesale Electricity Spot Market (WESM)

The WESM is a spot market for the buying and selling of electricity. This was established to enable competition to influence the production and consumption of electricity. The mechanism in place allows market forces to determine prices. The WESM provides another option for power generation companies that have no bilateral contracts on how to sell the energy generated by their power plants. Likewise, the WESM serves as a platform for distribution utilities, suppliers and wholesale consumers to purchase electricity even without a bilateral contract.

The WESM began operations in Luzon in June 2006 and in the Visayas in December 2010.

In December 2013, an amended Joint Resolution No. 2 was issued by the DOE, ERC and Philippine Electricity Market Corporation (PEMC) adjusting the WESM Offer Price Cap from Php 62,000 per MWh to Php 32,000 per MWh. This price cap is provisional and shall be subject to public consultations and review by the WESM Tripartite Committee.

In May 2014, the ERC issued Resolution No. 8, Series of 2014, to implement an interim secondary price cap of Php 6,245 per MWh, which will be imposed when the rolling average market price over a 72-hour period (3 days) equal to or exceed Php 8,186 per MWh. In December 2014, this was adopted as a permanent pre-emptive mitigating measure where imposition of such will be triggered when the rolling average market price over a 168-hour period (or 7 days) equal to or exceed Php 9,000 per MWh. A Petition for Declaratory Relief with Application for Temporary Restraining Order (TRO) and Writ of Preliminary Injunction has been filed by the Philippine Independent Power Producers Association, Inc. (PIPPA) with the RTC of Pasig on the ground that the resolutions made by ERC are invalid and void. The Regional Trial Court of Pasig denied the Application for TRO. On November 6, 2014, PIPPA withdrew its application for the issuance of a Writ of Preliminary Injunction and submitted the case for decision.

WESM operations in Mindanao was officially launched by the DOE in May 2017 through Department Circular NO. DC2017-05-0009. Effective June 26, 2017, all electric power industry participants in the Mindanao Grid were considered WESM Participants and were required to comply with the WESM registration requirements. Currently, the Mindanao Grid is governed by the Interim Mindanao Dispatch Protocol until the Commercial Operations Date of WESM Mindanao on June 26, 2018.

In July 2017, through the initiative of the DOE, the Transition Committee for PEMC was created through Department Order No. DO2017-07-0010, which was tasked among others to propose a way forward for the WESM. Consistent with the intention of the EPIRA, the Transition Committee formulated a transition proposal for an Independent Market Operator (“IMO”) which provides for the formation of an independent entity separate from the PEMC to become the IMO, while PEMC remains the governance arm of the WESM. Before the functions of the market operator can be transferred to the IMO, a joint endorsement of the DOE and the power industry participants is required. Hence, on January 17, 2018, the DOE promulgated policies for the efficient transition of the WESM to the IMO. Thereafter, on February 6, 2018, a Special Membership Meeting was held by PEMC to vote for the endorsement of the Plan for Transition to the IMO of the PEMC and the transfer of the market operations function from PEMC to the IMO.

The Independent Electricity Market Operator of the Philippines Inc. (IEMOP) was thereafter organized as a non-stock, non-profit private corporation that is separate from PEMC. The IEMOP was incorporated to become the IMO, and as such, in September 2018, it formally took over the operations of the WESM from PEMC.

PEMC remains the governing body of the WESM and continues to perform the WESM governance functions.

The DOE adopted further amendments to the WESM Rules when it issued Department Circular No. DC2020-10-0021 on October 22, 2020, particularly on the provisions for the implementation of the IMO. Under the said circular, the scope of the WESM Rules now covers the Market Operator (MO) and System Operator (SO). The MO was likewise required to report any non-compliance with WESM Rules and Market Manuals and commission of other acts by any WESM member to the ERC, DOE, and the Governance Army.

Similarly, the DOE also amended the WESM Market Manual on Dispatch Protocol, Issue No. 13 on October 06, 2020 as it issued Department Circular No. DC2020-10-0020. The circular amended the Day-Ahead Projection (DAP), Hour-Ahead Projection (HAP), and the Real-Time Dispatch Schedule (RTD) under the WESM Timetable. On the same day, Department Circular No. DC2020-10-0019 was likewise issued by the DOE which provided that WESM Member that has a new load facility and intends to withdraw energy from the grid through a separate marketing trading node shall register the said load facility with the MO. In addition, the WESM Member is likewise required to provide an additional security commensurate to the load profile of the new load facility prior to energization.

Retail Competition and Open Access (RCOA)

Among the significant mandates under the EPIRA is a system of open access to transmission and distribution wires whereby the National Transmission Corporation (Transco), its concessionaire, the NGCP, and any distribution utility may not refuse the use of their wires by qualified persons, subject to the payment of transmission and distribution retail wheeling charges. The following are the conditions for the commencement of the RCOA:

1. Establishment of the WESM;
2. Approval of unbundled transmission and distribution wheeling charges;
3. Initial implementation of the cross-subsidy removal scheme;
4. Privatization of at least 70% of the total capacity of generating assets of NPC in Luzon and Visayas; and
5. Transfer of the management and control of at least 70% of the total energy output of power plants under contract with NPC to the IPP Administrators.

In 2011, the ERC initiated proceedings through the conduct of public hearings to determine whether or not the RCOA may already be declared in Luzon and Visayas. Initially, the ERC declared December 26, 2011 as the date when full operations of the RCOA in Luzon and Visayas should commence. Under this initial phase, all electricity end-users that are certified by the ERC to be Contestable Customers with an average monthly peak demand of 1MW for the 12 months preceding December 26, 2011 were given the right to choose their own electricity suppliers. However, on October 24, 2011, the ERC deferred the implementation of the RCOA in Luzon and Visayas citing the inadequacy of rules, systems, preparations and infrastructure required therefor. This was in response to the request of MERALCO, Private Electric Power Operators Association, and Philippine Rural Electric Cooperatives Association, Inc. for a re-evaluation of the feasibility of the December 26, 2011 RCOA implementation date.

In December 2012, the ERC issued the Transitory Rules to govern the initial implementation of the RCOA. The Transitory Rules were arrived at by the ERC together with the DOE and the PEMC. Under the Transitory Rules, the new implementation date of the RCOA was set on December 26, 2012. The period from December 26, 2012 to June 25, 2013 was declared as the Transition Period to allow the following: (1) development and finalization of the required infrastructure for systems, processes and information technology relating to RCOA, and (2) the registration into the WESM database of RES and Contestable Customers into the WESM database. The initial commercial operations of the RCOA was scheduled during the period from June 26, 2013 to December 25, 2013. Full implementation of the RCOA will then commence from December 26, 2013 onwards. During the said time, PEMC will act as the Central Registration Body and will be responsible for the development and management of the required systems, processes and information technology structure and the settlement of transactions in the WESM relating to the RCOA.

The implementation of the RCOA in Mindanao may take some time given that the conditions for a competitive environment has yet to be met. However, the prevailing supply conditions have led to the Interim Mindanao Electricity Market (IMEM) to commence operations in December 2013. To address the supply shortfall in the grid, all registered generating facilities were mandated to fully account for their capacities in the market.

The ERC issued revised regulations involving the issuance of RES licenses in December 2013. Included in the rules change was the non-issuance of RES licenses to generating companies, IPPA and affiliates of distribution utilities during a transition period or until after market condition allows it. Moreover, there were additional licensing restrictions imposed, which are: (1) the inclusion of the RES' contracted capacity in the grid limitations involving total capacity controlled by affiliate generation companies; (2) imposition of a 50% cap on supply by a RES to its affiliate end-users; (3) imposition of a 50% cap on supply from an affiliate generation company to a RES.

As a result of these additional licensing restrictions, the Retail Electricity Suppliers Association of the Philippines, Inc. filed a Petition for Declaratory Relief with an urgent application for an injunction with the RTC of Pasig City on the ground that the revised rules are unconstitutional and invalid.

In October 2014, the ERC issued Resolution No. 17, Series of 2014, which held in abeyance the evaluation of RES license applications and suspended the issuance of RES licenses pending the promulgation of the amended RES Licensing Rules. Currently, ERC is reviewing the RES Licensing Rules and the Rules for Contestability.

On 12 May 2016, the ERC issued Resolution No. 11, Series of 2016 (ERC Resolution No. 11-16), which disallowed distribution utilities from engaging in the supply of electricity to end-users in the contestable market, unless as a Supplier of Last Resort (SOLR). Local RES are also mandated to wind down business within 3 years from the effectivity of ERC Resolution No. 11-16. Thus, Retail Supply Contracts (RSC) that have already been executed by a Local RES shall remain valid until their expiration, but no new RSCs can be signed or executed. ERC Resolution No. 11-16 further provides that no RES is allowed to supply more than 30% of the total average monthly peak demand of all Contestable Customers in the Competitive Retail Electricity Market (CREM). Further, RES is not allowed to transact more than 50% of the total energy transactions of its supply business with its affiliate Contestable Customers.

In its Resolution No. 10, Series of 2016, the ERC approved the Revised Rules of Contestability, which established the conditions and eligibility requirements for end-users to be part of the contestable market.

On May 27, 2016, MERALCO filed a Petition for Declaratory Relief, docketed as SCA No.4149-PSG, with a prayer for the issuance of a TRO and/or Writ of Preliminary Injunction to (a) enjoin the DOE and the ERC from enforcing and implementing: (i) DOE Circular No. DC2015-06-0010 in connection with the full implementation of RCOA, (ii) Article 1, Sections 2 and 3 of ERC Resolution No. 5, Series of 2016, (iii) ERC Resolution No. 10, Series of 2016 on the Revised Rules for Contestability, and (iv) ERC Resolution No. 11, Series of 2016 regarding restrictions imposed on the operations of DUs and RES in the CREM; and (b) declare the said DOE Circular and ERC Resolutions void.

On 13 July 2016, a Writ of Preliminary Injunction enjoining the implementation of the issuances of the ERC was granted by Branch 157, RTC of Pasig City. The ERC and the DOE, assailed the jurisdiction of the RTC and separately filed Petitions for Certiorari and Prohibition before the Supreme Court on July 5, 2016 (G.R. No. 225141) and on September 27, 2016 (G.R. No. 226800), respectively.

On October 10, 2016, the Supreme Court, acting on the Petition filed by the DOE, issued a TRO enjoining Branch 157, RTC of Pasig City from continuing with the proceedings in SCA No. 4149-PSG and from enforcing all orders, resolutions and decisions rendered in SCA No. 4149-PSG.

In December 2016, the Philippine Chamber of Commerce and Industry, San Beda College Alabang, Inc., Ateneo De Manila University, and Riverbanks Development Corporation filed a petition, this time with the Supreme Court, to enjoin the ERC and the DOE from implementing DOE Circular No. 2015-06-0010, ERC Resolution No. 5, Series of 2016, ERC Resolution No. 10, Series of 2016, ERC Resolution No. 11, Series of 2016, and ERC Resolution No. 28, Series of 2016.

On 21 February 2017, the Supreme Court issued a TRO, effective immediately, enjoining the DOE and the ERC from implementing DOE Circular No. DC2015-06-0010, Series of 2015, ERC Resolution No. 5, Series of 2016, ERC Resolution No. 10, Series of 2016, ERC No. 11, Series of 2016, and ERC Resolution No. 28, Series of 2016.

The DOE and the ERC filed a Motion for Reconsideration before the Supreme Court to lift the TRO. Both likewise filed an Omnibus Motion seeking clarification on the scope and coverage of the TRO. To date, both have remained unresolved.

In November 2017, the DOE issued DOE Circular No. DC2017-12-0013 to address policy and regulatory gaps resulting from the abovementioned cases. In the said circular, the DOE provided for voluntary participation of Contestable Customers and lowered the threshold to from 1 MW to 750 kW and 500 kW. Voluntary Demand Aggregation was also permitted by December 2018 allowing electricity End-users within a contiguous area whose average peak demand is not less than 500 kW for the preceding 12-month period to aggregate their demand to be part of the Contestable Market and to enter into retail supply contracts with Aggregators.

On July 29, 2019, the DOE issued Department Circular No. DC2019-07-0011 which provided for the amendments of various issuances on the implementation of the RCOA. Based on this particular circular Contestable Customers are no longer automatically integrated into the WESM and its participation therein shall be on a voluntary basis. Moreover, the same circular provided that participating Contestable Customers should source its electric supply requirements from ERC-licensed/authorized suppliers.

On 03 December 2020, the ERC issued Resolution No. 12, Series of 2020 which prescribes the timeline for the implementation of RCOA. The said ERC Resolution likewise provided that the coverage of RCOA was expanded for end-users with an average monthly peak demand of at least 500 kW in the preceding twelve (12) months. Moreover, the monthly billing statement from the Network Service Provider (NSP) shall be considered as proof of contestability and shall be the basis for contestable customers' retail market transaction in lieu of the Certificates of Contestability. NSPs are thus required to notify qualified end-users by indicating in their monthly bill that they are qualified Customer Customers and can now choose their preferred supplier of electricity.

The 2016 Philippine Grid Code

Under the EPIRA, the ERC was tasked to promulgate and enforce a national grid code. Enacted in December 2001, The Philippine Grid Code established and documented the basic rules, requirements, procedures and standards that govern the operation, maintenance and development of the high-voltage backbone transmission system of the Philippines. The Philippine Grid Code identified and recognized the responsibilities and obligations of 3 key independent functional groups, namely the (a) Grid Owner, (b) SO and (c) MO

On October 5, 2016, the ERC through ERC Resolution No. 22, Series of 2016 approved the publication of the approved Philippine Grid Code 2016 Edition (the 2016 Grid Code). Among the objectives in the 2016 Grid Code were to harmonize the provisions of the Philippine Grid Code with the issuances of the DOE and the ERC and to adopt and fully implement the connection and operational requirements for Variable Renewable Energy (VRE) Generating Facilities consistent with the Renewable Energy Act.

Among the salient points of the 2016 Grid Code are as follows:

The inclusion of the connection and operational requirements for VRE facilities; setting the requirements pertaining to the connection and operational requirements of embedded generators were to be consigned to the Philippine Distribution Code; the provision for changes on frequency controls and responses; the introduction of a new way of classifying reserves from Contingency Reserve, Regulating Reserve and Dispatchable Reserves into Primary Reserve, Secondary Reserve and Tertiary Reserve, respectively; as regards ancillary services, the 2016 Grid Code provided a Frequency Reserve Obligation on the SO mandating it to contract for the Reserve or suffer penalty. The drafting of revisions and updates on the Ancillary Service Procurement Plan are on-going in accordance with the new ancillary structures based on the 2016 Grid Code.

From the time the 2016 Grid Code was enacted, developments in the WESM and other ancillary-related issuances have come up including proposed amendments to the Ancillary Services Cost Recovery Mechanism filed by the NGCP with the ERC. These prompted the DOE to issue Department Circular No. DC2019-12-0008 which (i) set up the General Framework Governing the Provision and Utilization of Ancillary Services in the Grid pending harmonization of ancillary service-related issuances and review of the relevant provisions of the 2016 Grid Code; and (ii) constituted the Ancillary Service Technical Working Group (AS-TWG) for the cost-recovery mechanism.

To date, the existing cost-recovery mechanism for AS shall continue to be implemented until a new mechanism is recommended by the AS — TWG and adopted by the DOE and/or the ERC.

Consistent with the provisions of EPIRA and the 2016 Grid Code, the ERC, on January 21, 2016 issued Resolution No. 17 Series of 2013 entitled “A Resolution Adopting and Approving the Rules and Procedures to Govern the Monitoring of Reliability Performance of Generating Units and Transmission Units and the Transmission System.” The rules initially apply to all Generation Companies with Generating Plants connected to the Grid, Embedded Generating Plants which have an aggregated capacity of 20MW and above, SO, Grid Owner or its Concessionaire and MO. On November 16, 2020, however, the ERC issued Resolution No. 11, Series of 2020 which amended the rules and lowered the aggregated capacity of Embedded Generating Plants from 20MW and above to 5MW and above.

The Renewable Energy Act of 2008 (RE Act)

The RE Act was signed into law in December 2008 and became effective in January 2009.

The RE Act was designed to promote and develop the use of the country's RE resources with the intention of reducing the country's dependence on fossil fuels and improving the overall condition of the environment.

The RE Act offers fiscal and non-fiscal incentives to RE developers, subject to a certification issued by the DOE, in consultation with the Board of Investments. These incentives include:

1. ITH for the first 7 years of commercial operations
2. Duty-free importation of RE machinery, equipment and materials effective within ten years upon issuance of certification, provided said machinery, equipment and materials are directly, exclusively and actually used in RE facilities
3. Special realty tax rates on equipment and machinery not exceeding 1.5% of the net book value
4. Net operating loss carry over (NOLCO)
5. Corporate tax rate of 10% after the 7th year
6. Accelerated depreciation
7. Zero percent VAT on sale of fuel or power generated from emerging energy sources and purchases of local supply of goods, properties and services of RE facilities
8. Cash incentives for RE developers for missionary electrification
9. Tax exemption on carbon emission credits.
10. Tax credit on domestic capital requirement and services.

All fiscal incentives apply to all RE capacities upon effectivity of the RE Act.

Electricity generated from intermittent RE resources such as wind, solar, ocean, run-of-river hydropower and biomass are considered as 'must dispatch' based on available energy and shall be given priority dispatch.

In a resolution issued in 2012, the ERC adopted the following feed-in-tariff (FIT) for emerging RE resources, namely, wind, solar, run-of-river hydropower and biomass, and corresponding digression rates.

	FIT Rate (Php/kWh)	Degression Rate
Wind	8.53	0.5% after 2 nd year of FIT effectivity
Solar	9.68	6% after 1 st year of FIT effectivity
Run-of-river hydro	5.90	0.5% after 2 nd year of FIT effectivity
Biomass	6.63	0.5% after 2 nd year of FIT effectivity

On May 26, 2020 the ERC issued Resolution No. 06, Series of 2020 which adjusted the FIT as follows:

Technology		2014	2015	2016	2017
		(Yr 1 Entrant)		(Yr 2 Entrant)	(Yr 3 Entrant)
Biomass	2014 – 2015	6.6300		-	-
	2016	6.6502		6.6300	
	2017	6.8539		6.6502	6.5969
	2018	7.1097		6.8539	6.6170
	2019	7.4132		7.1097	6.8197
	2020	7.6629		7.4132	7.0742
ROR Hydro	2014 – 2015	5.9000		-	-
	2016	5.9218		5.9000	
	2017	6.0710		5.9218	5.8705
	2018	6.2798		6.0710	5.8922
	2019	6.5392		6.2798	6.0406
	2020	6.7772		6.5392	6.2484
Solar		Solar 1	Solar 2		
	2014 – 2015	9.6800	8.6900	-	-
	2016	9.7015	8.7093	8.6900	-
	2017	10.0661	9.0366	8.7093	-
	2018	10.4788	9.4071	9.0366	-
	2019	10.9441	9.8248	9.4071	-
	2020	11.2758	10.1226	9.8248	-
Wind		Wind 1	Wind 2		
	2014 – 2015	8.5300	7.4000	-	-
	2016	8.5525	7.4195	-	-
	2017	8.8442	7.6725	-	-
	2018	9.1905	7.9730	-	-
	2019	9.5907	8.3202	-	-
	2020	9.8976	8.5864	-	-
Bangui 1 & 2	2014 – 2015	5.9600	-	-	-
	2016	5.9757	-	-	-
	2017	6.1795	-	-	-
	2018	6.4215	-	-	-
	2019	6.7011	-	-	-
	2020	6.6156	-	-	-

The Net Metering Program (NMP) for RE was issued by the ERC in 2013, which is designed to, among others, encourage end-users to participate in the RE generation. The distribution utilities are required to enter into a net metering agreement with an end-user with installed RE system, subject to technical considerations.

The ERC amended several provisions of the rules enabling the NMP for RE through ERC Resolution No. 06, Series of 2019. The following are the salient revisions made:

1. RE systems that run of river hydropower and those capable of being installed in the qualified end-user's premises with or without batter are now eligible to participate in the net metering program.

2. All qualified end-users are required to apply for a Certificate of Compliance (COC) and distribution utilities are required to assist the qualified end-users in their COC application by receiving and transmitting to the ERC all documentary requirements including the Net Metering Agreement (NMA) and informing the qualified end-user of the ERC's decision.
3. Distribution utilities are likewise required to furnish and install a bi-directional meter at the qualified end-user's premises, the expenses of which shall be for the account of the qualified end-user, except in the case of new customers and the qualified end-users with existing separate meters required to be replaced with a bi-directional meter.

Similarly, ERC Resolution No. 06, Series of 2019 likewise amended the net metering interconnection standards. RE systems with a maximum capacity of 100kW AC per qualified end-user to its distribution system except for Solar Photovoltaic (PV) which shall be 100kW DC are already allowed interconnection of the RE systems. In line with the foregoing amendments, the NMA template has been updated by the ERC accordingly.

On February 27, 2020 the ERC issued ERC Resolution No. 05, Series of 2020 which provides for the clarifications on the amended Net-Metering Rules. For purposes of Net-Metering Applications "good credit standing" has been defined as an end-user with no unsettled or outstanding obligation with the distribution utility at the time of application. Moreover, the cost of Renewable Energy Certificate (REC) meter and the installation thereof shall be shouldered by the distribution utility while the wiring cost from the facility to the REC meter shall be for the account of the qualified end-user. The ERC resolution also provides that the REC meter should be located at the connection point or at least near the connection point.

Meanwhile on October 22, 2020 the DOE issued Department Circular No. DC2020-10-0022 which prescribes the following policies and guidelines to provide complementary enhancements to the net metering program:

1. Implementation of the one (1) -year period for the banking of net metering credits of existing and new applications;
2. Application of Off-Grid or Island Grid Systems;
3. Publication of the distribution utilities NMP including their respective hosting capacities of Distribution Systems for net metering purposes; and
4. Development of a net metering guidebook that aims to prescribe the guidelines and procedures for net metering arrangements from offer to after sales services by the net metering installers and practitioners as well as prescribing the minimum standards for all net metering installations, in collaboration with all concerned government agencies.

The guidelines for the collection of the FIT-Allowance (FIT-All) and the disbursement of the FIT-All Fund by Transco were issued by the ERC in early 2014. The FIT-All is a uniform charge that will be collected from end-users by distribution utilities and RES entities. This will comprise the FIT-All Fund, whereby Transco serves as the Administrator. The FIT-All Fund is for the guaranteed payment of the FIT for actual energy delivered by RE generators. In an order dated October 10, 2014 ERC Case No. 2014-109RC, the commission issued a provisional approval for the applied FIT-All of Php 0.0406 per kWh filed by Transco. Collection from end-users shall commence starting January 2015.

In December 2017, the DOE promulgated the rules and guidelines governing the establishment of the Renewable Portfolio Standards (RPS) for On-Grid Areas through Department Circular No. DC2017-12-0015. The RPS Rules were adopted to mandate electric industry participants to source a portion of their electricity requirements from eligible RE sources in order to develop indigenous and environmentally friendly energy sources. With the minimum annual increment requirement of 1% to be applied to the Net Electricity Sales of the mandated participants, the DOE targets to increase the utilization of RE and reach a 35% RE share in the Energy Mix by 2030.

In July 2018, Department Circular No. DC2018-07-0019 containing the Rules Governing the Establishment of the Green Energy Option Program (GEOP) in the Philippines became effective. General rules and procedures were set out to guide end-users, RE supplier and network service providers in facilitating the options taken by end-users to choose RE Resources for their energy requirements.

In August 2018, the DOE promulgated the rules and guidelines governing the establishment of the RPS for Off-Grid Areas through Department Circular No. DC018-08-0024. The RPS Off-Grid Rules was adopted to contribute to the growth of the RE Industry in the Off-Grid and Missionary Areas by mandating electric power industry participants to source or produce a specified portion of their electricity requirements from eligible RE resources. It was intended to rationalize the efficient use of the Universal Charge – Missionary Electrification and improve the self-sufficiency in power generation through integration of RE in the supply mix in Off-Grid Areas.

On October 1, 2019, the DOE harmonized and enhanced all existing guidelines and procedures regulating the transparent and competitive system of awarding RE Contracts and the registration of RE projects through Department Circular No. DC2019-10-0013 otherwise known as the “Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts and the Registration of Renewable Energy Developers”.

On December 4, 2019, the DOE promulgated the Renewable Energy Market Rules (REM) to facilitate the compliance of mandated participants with the RPS Rules (both on-grid and off-grid). The rules govern all electric power industry participants in all grids, both on-grid and off-grid areas, and tasked the PEMC to establish the REM and the development of the REM System.

Reduction in Systems Loss

The ERC issued the Rules for Setting the Distribution System Loss Cap and Establishing Performance Incentive Scheme for Distribution Efficiency (Resolution No. 20, Series of 2017), which set distribution feeder loss cap for private distribution utilities at 6.50% for 2018, 6.25% for 2019, 6% for 2020, and 5.50% for 2021.

Under the new regulations, the actual electricity usage of the distribution company will be treated as an O&M expense in its PBR applications.

Competitive Selection Process (CSP)

In June 2015, the DOE issued Department Circular No. DC2015-06-008 mandating all distribution utilities to undergo a CSP in securing PSAs, through a Third-Party expert duly recognized by the DOE and ERC. Under the circular, the CSPs for the procurement of PSAs shall observe the aggregation for the un-contracted demand of the distribution utilities and shall be conducted annually. The terms and conditions of the PSAs shall be in accordance with the template PSA to be issued by the ERC in coordination with the DOE. The ERC and DOE were given 120 days from the effectivity of the circular to issue the implementing guidelines and procedures for the circular.

In September 2015, the DOE together with the ERC posted for comments the first draft of the implementing guidelines of Department Circular No. DC2015-06-008. After conducting public hearing and receiving opposition from industry stakeholders, the ERC and DOE deferred issuing a decision on the mandatory implementation of the CSP.

Pending the issuance by the ERC of a prescribed CSP, the ERC issued in October 2015 Resolution No. 13 (CSP Resolution) directing all distribution utilities to conduct CSP in the procurement of their supply to the captive market. In the Resolution, a CSP is deemed successful if the distribution utility receives at least two (2) qualified bids. Direct negotiation may be conducted after at least two (2) failed CSPs.

In ERC Resolution No. 1, Series of 2015 dated 15 March 2016, the ERC restated the effectivity of the CSP Resolution to be April 30, 2016.

In February 2018, the DOE finally prescribed the "Policy for the Competitive Selection Process in the Procurement by Distribution Utilities of Power Supply Agreement for the Captive Market" through Department Circular No. DC2018-02-0003. Governing all DUs in both grid and off-grid areas, the policy mandates the procurement of all PSAs for the captive market through CSP. In the said Circular, the CSP may be conducted by a Third-Party Bids and Awards Committee (TPBAC) composed of 5 members, where 3 members will come from the DU and 2 from the captive customers. In lieu of the TPBAC, the DU may also opt to engage a Third-Party Auctioneer. Direct negotiation with generation companies is allowed after at least 2 failed CSPs and there is no outstanding dispute in the conduct of the CSP.

Framework for Embedded Generators

In February 2019, the DOE promulgated the “Framework Governing the Operations of Embedded Generators” through Department Circular No. DC2019-02-0003. Covering generation units that are indirectly connected to the Grid through distribution systems (Embedded Generators), the guidelines require all Embedded Generators to comply with the connection and operational requirements of the 2016 Grid Code and to secure a COC from the ERC. Embedded Generators with material impact to Grid operations are also mandated to register with the WESM based on the criteria provided in the guidelines.

Energy Virtual One-Stop Shop

On May 28, 2019, the DOE prescribed the “Rules and Regulations Implementing Republic Act No. 11234” through the issuance of Department Circular No. DC2019-05-0007. Aimed at ensuring the timely completion of permits and licenses of power generation, transmission and distribution projects, the rules eliminate the redundancies and overlapping mandates in documentary submissions and processes and mandates the establishment of an online platform for government agencies, and for a paperless electronic application and processing system. Under the circular, the EVOSS Steering Committee was tasked to create a detailed process flow for each phase of the permitting process for each kind of power generation, transmission and distribution project.

Energy and Efficiency Conservation Act

On April 12, 2019, Republic Act No. 11285 otherwise known as the “Energy Efficiency and Conservation Act” was signed into law with the primary goal of institutionalizing energy efficiency and conservation, enhancing efficient use of energy, and granting incentives to energy efficiency and conservation projects.

As the lead implementing agency, the DOE is responsible for planning, formulating, implementing, enforcing and monitoring of energy management policies and other plans and programs related to energy efficiency of all government agencies, including government-owned and controlled corporations which are mandated to ensure efficient use of energy in their respective offices, facilities, transportation units, and the discharge of their functions.

Under the law, the DOE will develop the following systems, standards and guidelines:

1. a system for certification and assessment of energy conservation officers and energy managers to raise the standards of those engaged in energy management;
2. energy performance standards for commercial, industrial and transport sectors, including energy-consuming products;
3. labeling system for all energy-consuming product, devices and equipment;
4. mandatory energy-efficiency rating and labeling system for identified energy consuming products such as room air-conditioners, refrigeration units, and television sets to promote energy efficient appliances and raise public awareness on energy saving; and,
5. fuel efficiency testing guidelines for the conduct of fuel efficiency tests to validate information provided by vehicle manufacturers, importers and dealers.

The DOE shall also conduct regular examination, testing and verification of energy-consuming products and their models to determine the product's energy efficiency.

Designated establishments, such as private or public entities in the commercial, industrial, transport, power, agricultural, public works and other sectors identified by the DOE as energy intensive industries based on their annual energy consumption, have the following obligations under the law:

1. Integrate energy management system policy into the business operations based on ISO 50001 or a similar framework;
2. Set up systems and programs to promote energy efficiency, conservation and sufficiency that may include installation of RE technologies;
3. Keep records of monthly energy consumption data;
4. Improve average specific energy consumption in according with annual targets of DOE
5. Submit annual Energy Consumption and Conservation Report;
6. Conduct energy audit once every 3 years and submit a report to the DOE; and
7. Employ a Certified Energy Conservation Officer or a Certified Energy Manager.

The IRR of the Energy Efficiency and Conservation Act was issued by the DOE on November 22, 2019 through Department Circular No. DC2019-11-0014.

Energy Storage System (ESS)

The DOE recognizes the application and the benefits of ESS as an emerging technology in the improvement of the electric power system.⁴ As such, the DOE issued Department Circular No. DC2018-08-0022 which amended the WESM Rules and the Market Manuals to take into consideration of the participation of Battery Energy Storage Systems and Pumped Storage Units in the WESM.

The DOE likewise issued DC2019-08-0012 on August 01, 2019 which provides for the framework for ESS in its operation within the electric power industry. The circular laid out the process of securing the permit and licenses of the ESS as well as the requirements for connection and operations.

The circular applies to the following electric power industry participants: 1) generation companies owning and/or operating ESS which include, but is not limited to, the following technologies: a) Battery Energy Storage System; b) Compressed Air Energy Storage; c) Flywheel Energy Storage; d) Pump-Storage Hydropower; e) Other emerging technologies that may be identified, qualified, and approved by the DOE as ESS, 2) distribution utilities, 3) directly Connected Customers owning and operating ESS, 4) end-users owning and operating ESS, 5) QTPs, 6) Transmission Network Provider, 7) SO, and 8) MO.

⁴ Department of Energy, Department Circular No. DC2019-08-0012.

Pursuant to the circular, ESS proponents shall apply and register their ESS for one or more of the following purposes:

1. Provision of Ancillary Services
2. Provision of Energy through Bilateral Supply Contracts or Trading in the WESM
3. Manage the Penetration of RE
4. Auxiliary Load Management for Generation Companies
5. Transmission/Distribution Facility Upgrades Deferral
6. Transmission Congestion Relief
7. End-User Demand Management
8. Distribution Utility Demand Management
9. Distribution Utility Power Quality Management

Spot Market for Ancillary Services (AS)

As defined in the EPIRA, Ancillary Services (AS) are services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code. Under the WESM Rules Section 10.3.2.3 the DOE shall declare the commencement of the spot market for AS.⁵ In line with this, the DOE issued Department Circular DC2010-06-0007 entitled “Directing the Preparation for the Trading of Ancillary Services in the Philippines Wholesale Electricity Spot Market” which made the spot market for AS an integral part of the WESM.

On August 01, 2019 the DOE issued Department Circular DC2019-12-0018 entitled “Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid”. The intention of the circular was to ensure the reliability, quality, and security of supply of electric power. The circular required all generating facilities, except those with valid and existing AS capability accreditation, to undergo an AS capability testing and shall be certified according to their respective capabilities. The SO is mandated under the circular to ensure optimal procurement of the required AS.

Prior to the commercial operation of the Reserve Market, SO shall ensure compliance with its obligation to procure the required level and specification of AS in line with the following:

1. Regulating, Contingency, and Dispatchable Reserves shall be procured through firm contracts only;
2. Reactive Power Support AS and Black Start AS shall be procured through firm contracts only; and
3. The protocol for the central scheduling of energy and contracted reserves in the WESM shall still apply, in accordance with the WESM Rules and relevant Market Manuals.

⁵ Department of Energy, Department Circular No. DC2010-06-0007.

Upon commercial operation of the Reserve Market, the following shall govern the procurement of AS:

1. SO shall procure Regulating, Contingency, and Dispatchable Reserves through firm contracts and the Reserve Market provided that the contracted levels per reserve region shall be as follows:
 - Regulating Reserve — Equivalent to 50% of the Regulating Reserve requirement;
 - Contingency Reserve — Equivalent to 50% of the dependable capacity of the largest generating unit;
 - Dispatchable Reserve — Equivalent to 50% of the dependable capacity of the second largest generating unit;
2. Generating units shall submit energy and reserve offers to the WESM with respect to their maximum available capacities, which shall include contracted and uncontracted capacities;
3. All energy and reserve offer shall be co-optimized and subjected to central scheduling, dispatch, spot pricing and settlement of the MO and SO; and
4. Reactive Power Support AS and Black Start AS shall be procured through firm contracts only.

The AS-TWG was likewise created to assist the DOE in implementing the framework and render technical assistance and advice in developing further policies on AS. Among others, the AS-TWG was also tasked to review the 2016 Grid Code to address the issues on the implementation of the new AS categories.

Qualified Third-Party (QTP) Participation

Section 59 of the EPIRA authorized the provision of electric service in remote and unviable villages that the franchised utility is unable to service for any reason shall be opened to a QTP. As such, the DOE issued Department Circulars Nos. DC2004-06-006 and DC2005-12-011 on June 18, 2004 and December 12, 2005 respectively. Such circulars prescribe for the qualification criteria and guidelines for the participation of QTPs in providing electric service in unviable areas.

In order to meet the total electrification target of the government, the existing guidelines of the participation of QTPs were revised to provide a policy and regulatory environment that is more conducive to the participation of the private sector. Thus, on 22 November 2019, the DOE issued Department Circular No. DC2019-11-0015 otherwise known as the “Revised Guidelines for QTP”.

Under the revised guidelines, the DOE shall declare unviable, unserved, and underserved areas that are open for the QTP Program and the distribution utilities were required to:

1. Submit its Distribution Development Plan (DDP) together with the Total Electrification Master Plan. The distribution utilities shall prepare and submit its comprehensive Total Electrification Master Plan and shall contain detailed inventory of all unviable, unserved and underserved areas within its franchise;
2. Conduct the Competitive Bidding for the QTPs to serve the QTP Service Areas; and
3. Execute the QTP Service Contract (QSC) with the selected QTP.

Meanwhile, the QTP proponents must secure the necessary permits and licenses from the relevant government agencies and comply with all provisions, including the financial, technical, environmental and other performance standards for the QTP and the requirement of a Service Contract with the DOE, if applicable.

Renewable Energy Market (REM)

Pursuant to the RE Act, the DOE is mandated to establish a REM which would be an avenue for the trading of RECs which is equivalent to an amount of power generated from RE sources and a facility for mandated participants to comply with the RPS. In line with this, the DOE promulgated the RE Market Rules through Department Circular No. DC2019-12-0016 which in turn kicked off the compliance of the RPS by the mandated participants. The REM Rules applies to all electric power industry participants in Luzon, Visayas, and Mindanao, both in the On-Grid and Off-Grid Areas.

The REM Rules established the basic rules, requirements, and procedures to govern the operations of the REM which mainly aims to facilitate the efficient operation of the REM, specify the terms and conditions to which entities may be authorized to participate in the REM as well as the authority and governance framework for the REM, provide sanctions in cases of violations of the REM Rules and a timely and cost-effective framework for resolution of disputes among the REM Members and the Renewable Energy Registrar.

Registration in the REM is mandatory for the following:

1. Mandated Participants obligated by RPS to comply with their RPS requirements.
2. Entities with RE Generation Facilities that are registered in the WESM. In case of Mindanao Grid which is not yet connected to the Luzon and Visayas Grid, includes RE Generation Facilities that are connected to the main grid.
3. Entities with RE Generation Facilities who are operating in Off-Grid Systems obligated to comply with RPS requirements.

DOE in its Advisory dated 18 August 2020 provided for the recalibration of the commercial operations of the REM from June 2020 to June 2021 due to the impact of the COVID 19 pandemic.

Green Energy Option Program (GEOP)

Consistent with the RE Act, the government aims to accelerate the exploration and development of the RE resources in order to achieve energy self-reliance through the adoption of sustainable energy development strategies. Section 9 of the RE Act mandated the DOE to establish a GEOP which would provide end-users the option to choose RE resources as their sources of energy.

On July 18, 2018, the DOE issued Department Circular No. DC2018-07-0019 which promulgated the rules and guidelines governing the establishment of the GEOP Rules. All of the RE Facilities are eligible to participate in the GEOP subject to the following rules:

1. Entities that shall utilize RE Facilities to supply power under the GEOP shall secure an operating permit from the DOE as RE Suppliers.
2. RE Facilities covered by the GEOP shall have the necessary Certificates of Compliance from the ERC.
3. Distributed energy resources and/or generation facilities specifications and standards shall conform with the rules prescribed by the ERC.

Under the DOE Department Circular No. DC2018-07-0019, all end-users with a monthly average peak demand of 100 kW and above for the past 12 months may opt to participate in the GEOP after the DOE, in consultation with the National Renewable Energy Board (NREB) and industry stakeholders, determines the technical requirements and standards are already met. Meanwhile end-user with new connection and whose estimated average monthly peak demand for the next 12 months based on the load profiling is 300 kW or above may likewise participate in the GEOP. An end-user that has been in operation for less than 12 months from the effectivity of the GEOP Rules may also participate in the GEOP.

The end-user and its RE Supplier shall execute a GEOP Supply Contract which will govern the participation of the End-User in the GEOP. The energy sales from the GEOP shall be part of the Net Electricity Sales of the distribution utilities for its RPS compliance requirement. Moreover, the RECs generated from the energy supplied to the end-users under the GEOP shall be for the account of the distribution utilities. However, for RE Facilities installed within the end-user's premises, the distribution utilities have the option to install a third kilowatt-hour meter or use the RE Facility's built-in meter to monitor the total RE generation supplied to the End-User.

The circular likewise provides that a dual billing system may be adopted by the End-User availing the GEOP, RE Supplier and the distribution utility.

Green Energy Auction (GEA)

On July 14, 2020, the DOE issued Department Circular No. DC2020-07-0017 entitled “Promulgating the Guidelines Governing the Policy for the Conduct of Green Energy Auction in the Philippines” which provides for the GEA Policy.

The GEA Policy was issued in order to provide another avenue where the Mandated Participants of RPS could participate in order to comply with the RPS requirement under the RE Act. This likewise bolsters the DOE’s efforts in promoting the utilization of indigenous and environment-friendly energy resources and supports the increased investment of new RE projects by awarding RE Contracts under a competitive process together with long-term bilateral contracts.

The GEA Policy also provides for the framework to facilitate the procurement of supply from commercial RE projects by the Mandated Participants under the RPS On-Grid Rules through a competitive process, for compliance with the RPS Program and, as applicable, for their long-term power supply requirements pursuant to the respective Power Supply Procurement Plans (PSPP) of the DU.

There are two (2) components set forth in the GEA Policy namely:

1. *Green Energy Tariff* – to provide price signals on the commercial value of electricity generated from the RE facilities, resulting from a competitive process, and setting the tariff and/or price cap as well as summary procedures for approval of RE supply by regulated entities to their captive customers; and
2. *Green Energy Auction* – to facilitate contracting of supply from qualified suppliers to qualified customers under a competitive process. This shall be administered by the DOE through the Green Energy Auction Committee (GEAC).

For the GEA, the DOE, at its option, may conduct either of the following:

1. *Supply-Only Auction* – only Green Energy Implementation Agreement shall be awarded to the qualified suppliers, and only RE projects already covered by RE Contracts (pre-development and development stages) shall be qualified to participate; or
2. *Integrated OCSP-Supply Auction* – RE Contracts shall be awarded together with the Green Energy Implementation Agreement resulting from an integrated process for OCSP-Supply Auction.

The GEA shall be conducted by the DOE on an annual basis, unless otherwise determined by the DOE, upon the recommendation of the NREB on the basis of the RPS requirements of the Mandated Participants and the NREP.

It should be emphasized that the distribution utility that contracts for RE supply through the Green Energy Auction shall be considered as having complied with the CSP requirements imposed under DOE Department Circular No. DC2015-06-0008 as amended by DC2018-02-0003.

Open and Competitive Selection Process for Renewable Energy Service Contract

On October 20, 2020, the DOE issued Department Circular No. DC2020-11-0024 entitled “Adopting the Guidelines Governing the 3rd Open and Competitive Selection Process (OCSP3) in the Award of Renewable Energy Service Contract, and for Other Purposes.” The circular governs the determination of legal, financial, and technical qualifications of RE Applicants, the evaluation of its applications, and the award of the RE Contracts under the OCSP3.

The eligible RE Applications under the said guidelines are Filipinos and Filipino corporation at least 60% owned and controlled by Filipinos, duly registered with SEC with purpose of engaging in renewable energy exploration, development, and utilization. Foreign-owned corporations may likewise qualify provided that the RE Contract involved is a financial or technical assistance agreement signed by the President and either technical or financial assistance for large-scale exploration, development, and utilization of geothermal resources pursuant to Section 2, Article XII of the Philippine Constitution.

Energy Conserving Design of Building

Pursuant to the Energy Efficiency and Conservation Act the DOE issued Department Circular No. DC2020-12-0026 on December 22, 2020 otherwise known as “Adoption of the Guidelines on Energy Conserving Design of Building.” The guidelines prescribed for the minimum requirements for the energy conserving design of new buildings and major renovation of existing buildings. It likewise aims to encourage and promote the energy conserving design of buildings and their services in order to reduce use of energy without compromising the cost effectiveness, building function, as well as the comfort, health, safety, and productivity of the building’s occupants.

The said guidelines shall apply to new buildings and its systems as well as any expansion and/or modification of existing buildings or systems designed with at least 112.5 kVA of total connected electrical loads or has at least 10,000 square meters total gross floor area.

Bayanihan to Heal as One Act (BAYANIHAN Act I)

Due to the spread of the to the COVID 19 virus in the Philippines, Presidential Proclamation No. 922-2020 was issued declaring a State of Public Health Emergency throughout the country. During the same period, Presidential Proclamation No. 929-2020 was likewise issued which placed the entire Philippines under a State of Calamity and imposed an Enhance Community Quarantine (ECQ) throughout Luzon. On March 24, 2020, Republic Act No. 11469 otherwise known as the “Bayanihan to Heal as One Act” (BAYANIHAN Act I) was enacted placing the whole country under a state of national emergency.

Under the Bayanihan Act I, all banks, quasi-banks, financing companies, lending companies, and other financial institutions were directed to implement a minimum of a thirty (30)-day grace period for the payment of all loans falling due within the period of the ECQ without incurring interests, penalties, fees, and other charges.

In line with Bayanihan Act I, the ERC, in its Advisory dated April 15, 2020 issued guidelines and directives for the electric power industry stakeholders. The said guideline directed distribution utilities and RES to provide a grace period to all captives and Contestable Customers through the deferment of their electricity bill falling due within the period of the ECQ or from March 16, 2020 to April 30, 2020, without interest, penalties, fees, and other charges. Such period was extended to May 15, 2020 by ERC Advisory dated 05 May 2020. In addition, the updated advisory also imposed for the amortization of payment in four (4) equal monthly installments, payable in the 4 succeeding billing months following the end of the ECQ. In addition, payments by customers in areas covered by the ECQ extension until May 15, 2020 should commence no earlier than May 30, 2020.

The DOE, on the other hand, in its Department Circular No. DC 2020-004-0008, rationalized the utilization of the Energy Regulation (ER) 1-94 Funds by the host LGU in response to COVID 19 public health emergency. This provided for a framework for the host LGU to follow in utilizing the ER 1-94 Funds to bolster their combat in mitigating, if not contain, the transmission of COVID 19 in their respective areas.

On September 11, 2020, Republic Act No. 11494, otherwise known as the “Bayanihan to Recover As One Act” (Bayanihan Act II), was signed into law which provides a P165-billion economic stimulus and relief package to sustain the government’s efforts against the COVID-19 pandemic.

Pursuant to the Bayanihan Act II, the ERC in its Advisory dated October 29, 2020 issued an updated directive directing the DUs not to implement any disconnection on account of non-payment of bills until December 31, 2020 for consumers with monthly consumption not higher than twice the ERC approved maximum lifeline consumption level. All DUs, and RES were directed to implement a minimum 30-day grace period on all payments falling due within the period of the ECQ and Modified Enhanced Community Quarantine (MECQ) without incurring interest, penalties, and other charges. Any unpaid balance after the lapse of the 30-day period shall be payable in 3 equal monthly installments without incurring interest, penalties, and other charges. Similarly, the DOE likewise issued an Advisory dated September 23, 2020 indicating that the 30-day grace period and staggered payment without interests, penalties and other charges are applicable to all power sector billings falling due during the period of the Community Quarantine (CQ).

The Bayanihan Act II likewise directed all banks, quasi-banks, financing companies, lending companies, and other financial institutions to implement a one-time minimum sixty (60)-day grace period for the payment of all existing, current, and outstanding loans falling due, or any part thereof, on or before December 31, 2020. The said law likewise provided for staggered payment without interest on interest, penalties, and other charges until December 31, 2020, or as may be agreed upon by the parties.

Policies related to the Water Infrastructure

The Philippine Water Code (P.D. 1067)

The 1976 Presidential Decree provides the framework and basic principle relating to appropriation, control and conservation of water resources to achieve optimum development and rational utilization of the water resources of the country.

The main principle of the decree provides that all waters, be it a river, natural bed, spring, natural lakes, lagoons, subterranean or ground water, atmospheric water and seawater even if found within private lands belong to the state and that the same may allow the use or development of waters by administrative concession but subject to the control and regulation of the government through the National Water Resources Board as the lead agency. Water may be appropriated according to its beneficial use through the grant of water permit by the same agency.

On September 12, 2002, National Water Resources Board was reconstituted through the declaration of Executive Order No. 123 aligning the agency previously administered under the Department of Public Works and Highways to the Department of Natural Resources. Local Water Utilities and Administration shall likewise cease with its practice of regulating the water tariffs of Water Districts and shall be undertaken by the National Water Resources Board. The former may still continue reviewing the rates of water districts where it has risk of financial exposure.

Local Government Code (R.A. 7160)

The 1991 policy defines the functions, responsibility, extent of authority and resources of LGUs which includes effective provision of basic services and facilities such as infrastructures related to sanitation and sewerage, communal irrigation, small water impounding projects and other similar projects, artesian wells, spring development, rainwater collection and water supply systems. This policy facilitated the LGUs to fast-track implementation its infrastructure projects through public-private partnerships.

Provincial Water Utilities Act (PD 198)

On May 25, 1973, a national policy was declared and signed favoring local operation and control of water systems and authorizing the formation of local water districts chartered by the national administration to facilitate improvement of local water utilities under Local Water Utilities Administration (LWUA). The Act promulgated the role of the water district in the development, operation and maintenance of water and wastewater services within a franchise area. The water district shall be under the authority of a LGU either municipality, city or province depending on the number of water service connections.

Public-Private Partnership (PPP)

Projects relating to water supply, water and wastewater treatment, and sewage treatment infrastructure are undertaken through PPP. It is broadly defined as a contractual agreement between the Government and a private firm targeted towards financing, designing, implementing and operating infrastructure facilities and services that were traditionally provided by the public sector. It embodies optimal risk allocation between the parties – minimizing cost while realizing project developmental objectives. Thus, the project is to be structured in such a way that the private sector gets a reasonable rate of return on its investment.

Build-Operate-Transfer (BOT) Law

The allowable modes of undertaking PPP can be found in Republic Act No. 7718 otherwise known as the Philippine BOT Law and its IRR, as amended. Among these modes are: Build-and-transfer (BT), Build-lease-and-transfer (BLT), BOT, Build-own-and-operate (BTO), Contract-add-and-operate (CAO), Develop-operate-and-transfer (DOT), Rehabilitate-operate-and-transfer (ROT), Rehabilitate-own-and-operate (ROO), joint venture (JV), and corporatization. Various other modalities are contained in Republic Act No. 7718, as amended.

Executive Order No. 423 and the NEDA Joint Venture Guidelines

On April 30, 2005, President Gloria Macapagal Arroyo signed Executive Order No. 423 to prescribe the rules and procedures on the review and approval of all government contracts to conform with Republic Act No. 9184, otherwise known as the Government Procurement Reform Act. Among the salient provisions of EO 423 is the requirement of approval of government contracts entered into through alternative methods of procurement, including but not limited to the approval from the Director-General of the National Economic and Development Authority (NEDA). Relative to joint ventures between government and private entities, EO 423 specifically mandated that NEDA “issue guidelines with the objective of promoting transparency, competitiveness, and accountability in government transactions, and, where applicable, complying with the requirements of an open and competitive public bidding” (*Section 8, EO 423*).

Thus, in April 2008, the NEDA issued the Guidelines and Procedures for Entering into Joint Venture Agreements Between Government and Private Entities (NEDA JV Guidelines). On May 2013, the NEDA JV Guidelines was revised. The NEDA JV Guidelines, as amended, allowed joint ventures as a form of PPP. It also contained the detailed process for competitive selection and negotiation.

(xi) Estimate of Amount Spent for Research and Developmental Activities

Vivant has not allocated any specific amount of funds for research and developmental activities. Research and development activities are done on a per project basis and allocation of funds may vary depending on the nature of the project.

(xii) Costs and Effect of Compliance with Environmental Laws

Vivant’s generation and distribution business units are subject to extensive and stringent safety, health and environmental laws and regulations. The Company’s subsidiaries and associates have incurred, and expect to incur, operating costs to comply with these laws and regulations. Annual capital expenditures relating to the compliance with safety, health and environmental laws and regulations are expected to be made by Vivant’s subsidiaries and associates.

(xiii) Employees

In 2019, the Company’s power subsidiary, Vivant Energy, was operationalized to allow it to focus on growing the business. Vivant, in the meantime, will continue to provide shared services and serve as an incubator for new businesses. At the parent company level, Vivant has a total of 68 employees as of December 31, 2020, composed of executive, supervisory and rank-and-file staff.

The table below provides a breakdown of the total employee headcount.

	Headcount
Executive	13
Supervisors	18
Rank & File	47
Total	78

The Company has no existing collective bargaining agreement with its employees.

(xiv) Major Risks Involved in the Business

Below is a brief discussion on the risks that Vivant, through its subsidiaries and associates, might encounter in the businesses in which it is involved in. Certain risks, however, are inherent to the nature of the business that are beyond Vivant’s or its subsidiary’s or associate’s control.

Competition Risk

The competition landscape in the power generation business has continually evolved since the government started its privatization efforts under the EPIRA. The following are significant developments:

1. Over 70% of NPC’s generation assets and IPP contracts have been transferred to the private sector.
2. The WESM in the Luzon and Visayas Grids are operational, with Mindanao to follow suit in the coming years.
3. Investments in greenfield and brownfield projects continue to pour in
4. Implementation of the RCOA
5. Implementation of the CSP in securing PSAs

All these have or will have an impact on the availability of and access to power (reliability of plants seen improving and entry of new capacities and new suppliers), which may ultimately influence pricing of electricity.

Regulatory Risk

The continuing scrutiny of both the regulators and the public has led to the growing challenges faced by the power industry. In its effort to manage any potential fundamental changes in the business environment, Vivant has established good working relations with the regulatory agencies. The Company actively participates in the formulation of new rules and policies covering the power industry. In anticipation of possible changes in the regulatory environment, the Company incorporates these in the formulation of its long-term strategy for its businesses.

Trading Risk

The spot market price of electricity is determined by several market forces, which are mostly beyond the control of the Company. Increased supply, unforeseen plant outages, transmission constraints, and movement in fuel prices are among the factors that affect the supply condition in the power industry. Weather conditions and economic activities influence the demand patterns in the electricity market. All these have caused and are expected to cause fluctuations in the spot market price of electricity. Vivant intends to mitigate this risk by maintaining a good balance of contracted and spot capacities for its generation portfolio.

Fuel Supply Risk

Vivant's fossil-fired generation plants have entered into fuel supply contracts to ensure supply. Pricing, however, is subject to market conditions affecting both demand and supply.

DPI, CPPC, 1590 EC and CIPC have entered into medium term (2-3 years) contracts with large oil companies and fuel distributors in the Philippines. CEDC and MPC, in the meantime, have medium- to long-term contracts with various coal suppliers.

DPI, CPPC, CIPC, CEDC and MPC have entered into bilateral contracts that employ a tariff formula allowing recovery of fuel cost. 1590 EC has likewise signed a short-term power supply agreement with a fuel cost recovery mechanism in place.

Financial Risk

In the course of normal operations, Vivant, together with its subsidiaries and associates, is exposed to financial risks, including, but not limited to, interest rates that may have an impact on outstanding liabilities, counterparty credit risk, valuation of securities and investments, trade and other receivables, liquidity risk in terms of cash management and foreign exchange risk that may have an impact on outstanding foreign currency denominated placements and liabilities.

Business Interruption Risk

Interruption of normal operations brought about by natural calamities, major equipment failures, plant accidents and terrorism are just a few of the serious risks faced by the Company, through its subsidiaries and associates.

For risks that can be mitigated by the Company, particularly those that are plant operations-related, Vivant, through its subsidiaries and associates, implements a regular preventive maintenance program in all of its facilities. In relation to its risk management process, the Company's operating units that could procure business interruption insurance to cover the potential loss in gross profits in the event of a major damage to any of the facilities have done so.

Project Risk

Vivant, through its subsidiaries and associates, has projects in the pipeline, involving greenfield and brownfield power plant development projects both in power and water infrastructure. Inherent to these projects are risks involving the completion of these projects according to specifications, budget and set timelines.

To ensure the successful implementation of these projects, Vivant, through its subsidiaries and associates, is partnering with well-known contractors and suppliers with good track record in the industry. Project monitoring activities are likewise employed to assure adherence to standards, budget and set timelines.

Cyber Risk

Vivant, together with its subsidiaries and affiliates, is exposed to various forms of cyber risks as it continues with the remote work set up given the pandemic. These risks would include, but not limited to, hacking, data and/or identity theft, etc. that could result in disruption of business operations, financial losses, reputational damage, and legal and regulatory fines.

To ensure that the growing risk of cyber-attacks and threats are effectively addressed and managed, Vivant has embarked on the development of an Information Technology (IT) roadmap, which involved a comprehensive review of the IT systems and processes. This roadmap is intended to improve quality of service, security and business continuity.

Health, Safety and Environment (HSE) Risk

In the course of normal operations, Vivant, together with its subsidiaries and affiliates, is exposed to HSE risks. These risks have further heightened with the current pandemic and would include, but not limited to, employee health and wellness, occupational hazards, etc., which, if not effectively addressed and managed, could adversely affect the Company's reputation and continuity of operations.

With a Business Continuity Plan (BCP) in place, Vivant was able to adapt quickly with the pandemic and developed protocols based on the plan. This BCP is continuously developed to ensure business continuity and improve management of emergency, crisis and business recovery.

Item 2. Properties

Vivant's head office is located at the 9th Floor, Oakridge IT Center 3, Oakridge Business Park, A.S. Fortuna Street, Brgy. Banilad, Mandaue City, Cebu.

On a consolidated basis, the Company's 2020 total Property, Plant and Equipment were valued at Php 2,260.5 mn as compared to Php 1,321.4 mn in 2019. The breakdown is as follows:

	2019 (Php mn)	2020 (Php mn)
Plant Machineries & Equipment	127.1 ¹	172.2
Condominium Units, Building, and Improvements	12.7	12.3
Transportation Equipment	25.7	27.2
Office Furniture, Fixtures and Equipment	17.9	21.3
Tools and Other Assets	68.9	89.0
Leasehold & Land Improvements	34.4	56.3
Construction in Progress	1,004.0 ²	1,843.8
Land	30.7	38.4
TOTAL	1,321.4	2,260.5

Notes:

- 1. Reported as Php 1,013.1 mn in the SEC 17A FY 2019 report. An asset was reclassified to Construction in Progress to conform with the account classification in 2020 in compliance to PAS 1, Presentation of Financial Statements.*
- 2. Reported as Php 117.9 mn in the SEC 17A FY 2019 report resulting from the abovementioned reclassification of an asset.*

Item 3. Legal Proceedings

Material Pending Legal Proceedings

I. 1590 EC

SC G.R. No. 210245

**Bayan Muna Representatives NERIC JAVIER COLMENARES,
et al., vs. Energy Regulatory Commission, et al.**

SC G.R. No. 201255

**National Association of Electricity Consumers for Reforms, et al.
vs. Manila Electric Company, et al.**

SC G.R. No. 210502

**Manila Electric Company vs. Philippine Electricity Market
Corporation, et al.**

On December 19 and 20, 2013, two (2) separate Petitions were filed by Bayan Muna Representatives and National Association of Electricity Consumers for Reforms (NASECORE) against the ERC and Manila Electric Company (MERALCO), et al. to enjoin MERALCO from implementing its power rate increase that was approved by the ERC and to hold certain provisions of Republic Act No. 9136, otherwise known as the EPIRA, as unconstitutional. As a result of the Petitions, the Supreme Court En Banc ordered several generation companies to be included as additional parties-respondents to the cases, including 1590 EC, its power rate increases approved by the ERC. Oral Arguments were conducted and the relevant legal pleadings were submitted to the Supreme Court. The Petitions are pending resolutions by the Supreme Court.

C.A. G.R. No. 138105

**Petition for Review With Application for Injunction and
Temporary Restraining Order
1590 Energy Corporation vs. Energy Regulatory Commission
And Philippine Electricity Market Corporation**

On November 7, 2017, the Court of Appeals (CA) issued a Decision that declared as null and void the March 3, 2014, March 27, 2014, May 9, 2014 and October 15, 2014 Orders of the ERC and reinstated the prices for the November and December 2013 supply months in the WESM (the CA Decision). According to the CA, there was simply no justification, legal or factual, to substantiate the ERC's issuance of the March 3, 2014 Order which was effectively an intervention of WESM's operations. The ERC and Intervenor Meralco filed their respective Motions for Reconsideration to the CA Decision. Numerous other consumers and organizations also filed their respective Motions for Leave to Intervene in the case for the purpose also of seeking a reconsideration of the CA Decision. In an Omnibus Resolution dated March 29, 2019, the CA denied the Motions for Reconsideration. Thereafter, the ERC filed a Petition for Review on Certiorari under Rule 45 of the CA's Decision dated November 8, 2017 and the Omnibus Resolution dated March 29, 2019. The Petition for Review remains pending.

ERC Case No. 2015-042 MC

Violation of Section 45 of Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act No. 2001” (EPIRA), Rule 11, Sections 1 of the Implementing Rules and Regulations (IRR) of the EPIRA (Commission of an Anti-Competitive Behavior, Particularly Economic Withholding ATTY. ISABELO JOSEPH P. TOMAS II vs. 1590 Energy Corporation

On June 10, 2015, Atty. Isabelo Joseph P. Tomas II, in his capacity as the Investigating Officer of the Investigatory Unit constituted by the ERC pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013, filed a Complaint against 1590 EC for alleged Anti-Competitive Behavior, particularly, the Physical Withholding in relation to the bid offers of 1590 EC at WESM during the November and December 2013 billing months. 1590 EC filed its Answer to the Complaint within the reglementary period. On August 11, 2016 1590 EC received an “Omnibus Motion [(i) to consolidated cases and (ii) Defer Pre-Trial]” from the Investigating Officer, to which 1590 EC filed its “Comment/Opposition to the Omnibus Motion [(i) to consolidated cases and (ii) Defer Pre-Trial].” On June 13, 2017, the ERC denied the Motion for consolidation. In the meantime, the case itself remains pending.

III. Delta P

Civil Case No. 5778

**Heirs of Laurentino Ylaya represented by Fe Ylaya and Glenn C. Gacott
Vs. City Government of Puerto Princesa represented by
Mayor Lucilo Bayron and Delat P, Inc.**

On August 31, 2018, DPI received Summons for a Complaint for “Quieting of Title, Recovery of Possession, Declaration of Nullity of Contract of Lease (with Prayer for TRO and Injunction)” filed by Fe Ylaya and Glenn Gacott. The City Government of Puerto Princesa (“CGPP”) was made a co-defendant. The Complaint claimed that the expropriation proceedings by the CGPP was incomplete because of failure to promptly pay just compensation. The properties subject of the Complaint is the site of DPI’s power plant over which DPI signed a Contract of Lease with CGPP. Complainants alleged to be the previous owners of the properties and prayed for CGPP and DPI to peacefully surrender and vacate the properties, declare the CGPP Contract of Lease to be void, demanded payment of rental and damages in the total amount of Php774,413.00. The case is still on trial.

IV. INEC

Civil Case No. MAN-8450

Bantayan Island Power Corporation and Container Corporation of the Philippines (Consortium) vs. Bantayan Island Electric Cooperative, Inc. (BANELCO), BANELCO Third-Party Bids and Awards Committee, and Consortium of Vivant Integrated Diesel Corporation and Gigawatt Power, Inc.

On November 13, 2019, Bantayan Island Power Corporation and Container Corporation of the Philippines (Consortium) filed a Petition for Injunction (with Application for Issuance of a 72-hour Restraining Order, TRO and/or Writ of Preliminary Injunction) against BANELCO, BANELCO Third-Party Bids and Awards Committee, and Consortium of VIDC and GPI (the "Consortium"). This case is docketed as Case No. 3450 with the Mandaue City RTC. The RTC has recognized the legal standing of INEC to be joined as a party to the case, being the incorporated Consortium.

On November 13, 2019, the RTC Executive Judge found no basis to grant an ex-parte restraining order. On November 29, 2019, the RTC denied the application for issuance of TRO. On December 21, 2020, the RTC denied the application for issuance of preliminary injunction.

CA-G.R. No. 13695

Twentieth Division, Court of Appeals-Cebu City

On June 16, 2020, Bantayan Island Power Corporation and Container Corporation of the Philippines (Consortium) filed a Petition for Certiorari with the Court of Appeals (Cebu City) (CA-Cebu), alleging grave abuse of discretion on the part of RTC for its alleged partiality and bias. This is docketed as CA-G.R. No. 13695 with the Twentieth Division of CA-Cebu. In a Notice from the CA-Cebu that was received on January 8, 2021, the defendants were required to file their Comment to the Petition for Certiorari. INEC was able to file its Comment within the reglementary period. The Petition remains pending.

CA-G.R. No. 13698

Eighteenth Division, Court of Appeals-Cebu City

On February 17, 2021, INEC received from the Consortium a Motion to Withdraw (Petition for Certiorari dated June 29, 2020) (the 2nd Petition), which INEC has yet to receive. The 2nd Petition is against the same defendants that is docketed as CA-G.R. No. 13698 with the Eighteenth Division of CA-Cebu. The 2nd Petition remains pending as CA-Cebu has yet to act on the Motion to Withdraw.

Nineteenth Division, Court of Appeals-Cebu City

In an Order dated March 8, 2021, the Nineteenth Division granted the Motion for Consolidation filed the petitioners. Thus, the CA-G.R. No. 13695 was consolidated with CA-G.R. No. 13698.

Item 4. Submission of Matters to A Vote of Security Holders

During the September 11, 2020 Annual Meeting of Stockholders, the following actions were taken:

- (1) Approval and adoption of the minutes of the June 20, 2019 Annual Stockholders' Meeting;
- (2) Annual Report of Officers;
- (3) Approval of the 2019 Annual Report and Financial Statements
- (4) Appointment of External Auditors for 2020
- (5) Election of Directors (including Independent Directors) for the year 2020-2021:

Mr. Ramontito E. Garcia
Mr. Edgar John A. Garcia
Mr. Arlo Angelo G. Sarmiento
Mr. Emil Andre M. Garcia
Mr. Gil A. Garcia II
Mr. Charles Sylvestre A. Garcia
Mr. Jose Marko Anton G. Sarmiento
Mr. Carmelo Maria Luza Bautista (Independent Director)
Engr. Rogelio Q. Lim (Independent Director)
Amb. Raul Ch. Rabe (Independent Director)
Atty. Jesus B. Garcia, Jr. (Independent Director)

- (6) Amendment of the By-laws to:
 - a. amend the notice requirements for the Stockholders' Meetings;
 - b. amend the quorum and voting requirements to allow Stockholders to participate and vote through remote communication or in absentia;
 - c. to amend the composition of the Board to conform with the minimum number of Independent Directors;
 - d. amend the quorum and voting requirements for meetings of the Board of Directors to include participation and voting through remote communication; and
 - e. amend the modes of sending Notices of Board Meetings.
- (7) Ratification of all acts and resolutions of the Board of Directors and Management adopted for Fiscal Year 2019
- (8) Ratification of the Amendment of the Articles of Incorporation – Change of Address

Other than the foregoing, no matter was submitted to a vote of security holders.

The results of the foregoing meeting were timely disclosed to the PSE and SEC in SEC Form 17-C report.

PART II: OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

1. Market Information

The Company's common shares are listed and traded at the Philippine Stock Exchange. The high and low stock prices of Vivant's common shares for each quarter of 2019 and 2020 were as follows:

	2019		2020	
	High	Low	High	Low
First Quarter	17.00	16.00	15.12	12.00
Second Quarter	17.00	14.52	15.10	11.00
Third Quarter	16.94	15.90	14.96	13.00
Fourth Quarter	17.00	15.12	15.00	13.00

As of end-March 2021, the common shares outstanding were 1,023,456,698 shares. The last traded price of Vivant's common shares as of the same period was at Php 13.08 per share.

2. Security Holders

As of March 31, 2021, Vivant has 1,423 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). The top 20 shareholders with the number of shares respectively held and the percentage of total shares outstanding held by each are as follows:

	NAME	NO. OF SHARES	%
1	Mai-I Resources Corporation	464,831,568	45.42
2	JEG Development Corporation	311,524,642	30.44
3	Global Business Power Corporation	116,555,553	11.39
4	PCD Nominee Corporation (Filipino)	69,063,242	6.75
5	Popsivan Holdings Corporation	31,498,212	3.08
6	Malacapas Holdings, Inc.	27,677,848	2.70
7	Eulalio C. Arce	343,750	0.03
8	PCD Nominee Corporation (Non-Filipino)	50,432	0.00
9	Cruz, Alfredo A.	34,062	0.00
10	Lavin, Marietta	27,750	0.00
11	EBC Securities Corporation	20,625	0.00
12	Consortium Industries, Inc.	20,500	0.00
13	Lopez, Rose Marie R.	19,687	0.00
14	Marino Olondriz Y Cia	16,000	0.00
15	Rivera, Rosario Paje	15,625	0.00
16	Sevilla, Rodulfo	15,625	0.00
17	Borres, Jun M.	15,000	0.00
18	Te, Anita &/or Te, Oscar	15,000	0.00
19	Martinez, Oscar O.	13,437	0.00
20	Hon, Sia Phoa A.	12,625	0.00

TOTAL NO. OF SHARES

1,021,771,183

99.83

3. Dividends

The Company's By-laws allow dividends to be declared and paid out of unrestricted retained earnings, which may be payable in cash, property or stock to all stockholders on the basis of the outstanding stock held by the stockholder, as often and at such times as the Company's Board of Directors may determine and in accordance with the requirements of the Corporation Code and applicable laws.

The cash dividends declared by Vivant to its common shareholders from 2019 to 2020 are shown in the table below.

Year	Cash Dividend Per Share		Total Declared		Record Date
	Regular	Special	Regular	Special	
2019	Php 0.3382	-	Php 346.1 mn	-	May 29, 2019
2020	Php 0.4571	-	Php 467.8 mn		May 27, 2020

4. Recent Sales of Unregistered Securities

On January 29, 2014, the Company signed an agreement to issue Php 3 billion (bn) in FRCN, which will be issued in two tranches: Php 1 bn on February 3, 2013 and Php 2 bn on March 31, 2014. The net proceeds of the issue will be used for general corporate purposes, including but not limited to, capital expenditures for existing assets and investments in power generation projects.

On December 4, 2020, the Company signed a Notes Facility Agreement to issue ₱3 billion worth of FRCN with tenors of two (2) years and five (5) years. The proceeds from the issuance of the Notes will be used to finance capital expenditures for existing assets and investments in power generation and/or water infrastructure projects and partly to refinance the existing 7-year FRCN maturing in February 2021.

Item 6: Management's Discussion and Analysis or Plan of Operation

1. Plan of Operation

For the next 12 months, the Company will continue to oversee its investments in the investee companies.

As a holding company, it shall satisfy its cash requirements through (1) dividends declared and paid by its investee companies and (2) management fees paid by investee companies with management contracts as compensation for consultancy, management and ancillary services provided.

Vivant, through its Business Development Group, is continuously on the lookout for opportunities in the power and water industries, particularly in the power generation business. The Company has several projects that are in various stages of development.

2. Management’s Discussion and Analysis

Management uses the following key performance indicators for the Company and its investee companies:

(i) Equity in Net Earnings (or Loss) of Associates. Equity in net earnings or (loss) of associates is the Company’s share in the income or loss of associates, or investee companies accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.

(ii) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). EBITDA is calculated by taking operating income and adding back to it interest, depreciation, and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company’s ability to generate cash from operations to cover financial charges and income taxes.

(iii) Cash Flow Generated. Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing, and financing activities.

(iv) Debt-to-Equity Ratio (DER). DER gives an indication of the Company’s leverage position and is computed by dividing total liabilities with total stockholders’ equity.

(v) Current Ratio. Current ratio is computed by dividing current assets with current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

The table below shows the comparative figures of the key performance indicators for the year 2019 and 2020.

Key Performance Indicators <i>Amounts in Php '000, except for ratios</i>	2020	2019
Equity in Net Earnings of Associates and Joint Ventures	1,530,892	2,183,384
EBITDA	2,415,610	3,152,720
Cash Flow Generated	462,774	622,617
Net cash flows from operating activities	103,260	457,253
Net cash flows from investing activities	651,226	966,446
Net cash flows from (used in) financing activities	(291,712)	(801,083)
Debt-to-Equity Ratio (x)	0.38	0.41
Current Ratio (x)	1.33	3.42

The Company’s share in net earnings of associates and joint ventures as of end-December 2020 amounted to Php 1.5 bn, representing a 30% Year-on-Year (YoY) decrease from Php 2.2 bn. This was a result of the following:

1. VECO, the Company’s distribution utility, saw a 26% YoY drop in its bottomline contribution during the year in review, from Php 785.1 mn to Php 579.0 mn. Electricity sales declined in 2020. This was mainly due to the slowdown in economic activities brought about by the lockdown measures implemented amidst the COVID-19 pandemic. The 11% drop in volume sold during the period in review mainly accounted for VECO’s bottomline contraction.

2. 40%-owned MPC brought in contributions of Php 412.5 mn as of end-December 2020, which was 29% YoY lower than the Php 581.9 mn recorded as of end-December 2019. This can be mainly attributed to the 12% YoY reduction in energy sales.
3. 40%-owned AHI posted a 32% YoY decline in its income contribution to Php 277.6 mn from Php 407.7 mn. This was driven by the decrease in profitability of its associate, CEDC. The drop in CEDC's performance during the year in review was mainly on account of the reduced dispatch for its energy-based bilateral contracts (down by 6% YoY). The lower sales at the WESM, resulting from a drop in spot market rates, and increased maintenance costs also contributed to the earnings decline.
4. 20%-owned TVI posted a 42% YoY decrease in its income contribution from Php 162.1 mn to Php 93.2 mn. This can be attributed to interest payments for the company's debt during the year in review. Interest expense was capitalized prior to the start of commercial operations of Unit 1 in April 2019. Adding to this were the costs of replacement power incurred during its scheduled maintenance work in the first quarter of 2020.
5. 40%-owned CPPC recorded an 11% YoY decline in earnings contribution from Php 119.3 mn to Php 105.7 mn. Low volumes and market prices in the WESM mainly accounted for this contraction.
6. 50%-owned DPI showed a 39% YoY reduction in its income contribution from Php 61.5 mn to Php 37.4 mn. The expiry of the company's PSA for its old plant facility in April 2020 and the drop in electricity demand caused by the COVID-19 pandemic accounted for the drop in its bottomline.
7. 50%-owned CIPC contributed earnings of Php 30.3 mn, which was 28% lower than end-2019 level of Php 41.9 mn. This was brought about by the 21% YoY reduction in the volume of energy sold resulting from the COVID-19 pandemic.
8. 40%-owned Prism Energy saw a 68% YoY decrease in earnings contribution to Php 11.4 mn from Php 35.5 mn. Energy sales fell by 35% YoY due to the decline in contracted capacities and the overall adverse effect of the COVID-19 pandemic on electricity consumption. Further to this, the increase in cost of power during the year resulted to reduced profitability.

EBITDA for the period dropped by 23% YoY to Php 2.4 bn from Php 3.2 bn. This was mainly an outcome of the 30% YoY decrease in operating income, which stemmed from:

1. A 47% reduction in the sale of power. This mainly resulted from the 68% YoY contraction of energy sales in 55.2%-owned 1590 EC and the absence of sales in wholly-owned Vivant Energy during the year in review.

Reduced sales volume of 1590 EC, coupled with the lower spot market prices in the WESM for the sale of its excess capacity as of end-December 2020, brought down its topline performance. In 2019, 1590 EC had increased dispatch from its bilateral contract which was terminated in September 2019. Meanwhile, Vivant Energy's IPPA Agreement with the PSALM was terminated in October 2019.

The decline in energy sales was mitigated by the higher revenues generated by 100%-owned Corenergy. The increase in RES contracts resulted to a 67% YoY improvement in the energy sales generated during the year. In addition, wholly owned ETEI, a special purpose vehicle for the solar rooftop business, recorded a 20% YoY rise in energy sales for the year in review.

2. 30% drop in equity earnings resulting from the decline in the bottomline of 6 associates and 2 joint ventures during the year in review. These are VECO, MPC, AHI, TVI, CPPC, DPI, CIPC and Prism Energy.
3. 59% YoY drop in interest income driven by lower interest rates for its short-term investments.

However, this drop in EBITDA was mitigated by the following:

1. Management and service fees which showed a 115% YoY spike to Php 210.2 mn. This was attributed to new service level agreements (SLAs) and higher rates for existing SLAs.
2. Engineering service income from contracts entered into by WMP and Corenergy significantly rose to Php 111.1 mn as of end-December 2020 from Php 18.6 mn as of end-December 2019.
3. Other income grew by 35% YoY to Php 56.4 mn from Php 41.9 mn. Proceeds from insurance claims mainly accounted for this increase.
4. 44% YoY reduction in total cost of services and operating expenses, which was mainly attributed to the lower generation cost on the back of lower energy sales of 1590 EC during the year in review.

The Company ended 2020 with a net increase in cash (before considering the effect of changes in the foreign exchange rates) in the amount of Php 462.8 mn, which was 26% lower than last year's net increase in cash of Php 622.6 mn.

Operating activities showed a net cash inflow of Php 103.3 mn as of end-2020, from the net cash inflow of Php 457.3 mn as of end-2019. The reduced net cash inflows were mainly due to the settlement of trade and other payables (mostly for accrued expenses in 1590 EC and Vivant Energy). Higher disbursements for inventories also contributed to the use of cash during the year in review, offset by the collection of trade and other receivables.

Investing activities generated cash in the amount of Php 651.2 mn, which was 33% lower than the net cash inflow of Php 966.4 mn in the same period last year. The costs incurred by 65%-owned INEC for the construction of a 23-MW oil-fired power generation facility mainly accounted for the use of cash during the year in review. Net cash inflows were further reduced by spending related to projects in ETEI and 100%-owned VHHI, and additional investments in three associates and a joint venture. This is tempered by the 43% YoY increase in total dividends received from investee companies (VECO, AHI, MPC, CPPC, DPI, Prism Energy and CIPC), and proceeds from redemption of preferred shares by 50%-owned DPI.

Financing activities as of end-2020 recorded a cash usage of Php 291.7 mn, posting a 64% YoY drop vis-à-vis last year's Php 801.1 mn. The proceeds from the short-term notes payable of 1590 EC and INEC, and the infusions from a minority shareholder of INEC for its new power plant project in the Visayas, as well as from a minority shareholder of 50.94%-owned HDFE for a one-off expense, mainly accounted for the significant decrease in net cash outflow against the end-2019 level. This is tempered by the Company's interest-bearing advances related to the combined sewerage and septage project of an associate, dividend payments by the Company and 2 subsidiaries, and the lease payments by the Company and 1590 EC during the year in review.

Debt-to-Equity ratio was lower at 0.38x as of end-2020 vis-à-vis end-December 2019 level of 0.41x. Total equity increased by 10%, which was attributed to the earnings for the period, net of the Company's dividend declaration in 2020. Meanwhile, total liabilities rose by 3%, which mainly stemmed from the short-term loans of 1590 EC and a bridge financing facility of INEC. Higher accrued income tax of 1590 EC and INEC, and pension liabilities of the Company and Vivant Energy, net of the payment of trade payables (mostly in Vivant Energy and 1590 EC), also contributed to the increase in liabilities.

The Company's current ratio dropped to 1.33x as of end- 2020 from year-end 2019 level of 3.42x. Current liabilities showed a significant increase of 199% from end-2019 level, while current assets only recorded a growth of 16%. The Company's outstanding FRCN in the amount of Php 2.8 bn, which will mature in February 2021, has been recognized as a current liability. Moreover, the availment of short-term notes payable by 1590EC and INEC, and accrued income tax from 1590 EC and INEC also contributed to the rise in current liabilities as of December 31, 2020.

Material Changes in Line Items of Registrant's Income Statement

As of end-2020, the Company's total revenues amounted to Php 3.8 bn, recording a 37% YoY decline from Php 6.0 bn as of end-2019. The topline performance was due to the following:

1. Sale of power at Php 1.9 bn reduced by 47% YoY, which was attributable to:
 - A 68% YoY contraction of energy sales in 55.2%-owned 1590 EC given the lower energy volume and price per kwh from the sale of its excess capacity to the WESM. As of end-2019, 1590 EC had increased dispatch from its bilateral contract which was terminated in September 2019.
 - Also, wholly owned Vivant Energy had no energy sales during the year in review after the termination of its IPPA Agreement with PSALM in October 2019.

The decline in energy sales was mitigated by recorded revenue improvements of wholly owned subsidiaries, Corenergy (RES up by 67% YoY) and ETEI (energy sales of solar rooftop projects were up by 20% YoY).

2. The Company's share in the net earnings of associates and joint ventures as of end-December 2020 amounted to Php 1.5 bn, representing a 30% YoY decrease from Php 2.2 bn. This was a result of the following:
- VECO, the Company's distribution utility, saw a 26% YoY drop in its bottomline contribution during the year in review, from Php 785.1 mn to Php 579.0 mn. Electricity sales declined in 2020. This was mainly due to the slowdown in economic activities brought about by the lockdown measures implemented amidst the COVID-19 pandemic. The 11% drop in volume sold during the period in review mainly accounted for VECO's bottomline contraction.
 - 40%-owned MPC brought in contributions of Php 412.5 mn as of end-December 2020, 29% YoY lower than the Php 581.9 mn recorded as of end-December 2019. This can be mainly attributed to the 12% YoY reduction in energy sales.
 - 40%-owned AHI posted a 32% YoY decline in its income contribution to Php 277.6 mn from Php 407.7 mn. This was driven by the decrease in profitability of its associate, CEDC. The drop in CEDC's performance during the year in review was mainly on account of the reduced dispatch for its energy-based bilateral contracts (down by 6% YoY). The lower sales at the WESM, resulting from a drop in spot market rates, and increased maintenance costs also contributed to the earnings decline.
 - 20%-owned TVI posted a 42% YoY decrease in its income contribution from Php 162.1 mn to Php 93.2 mn. This can be attributed to interest payments for the company's debt during the period in review. Interest expense was capitalized prior to the start of commercial operations of Unit 1 in April 2019. Adding to this were the costs of replacement power incurred during its scheduled maintenance work in the first quarter of 2020.
 - 40%-owned CPPC recorded an 11% YoY decline in earnings contribution from Php 119.3 mn to Php 105.7 mn. Low volumes and market prices in the WESM mainly accounted for this contraction.
 - 50%-owned DPI showed a 39% YoY reduction in its income contribution from Php 61.5 mn to Php 37.4 mn. The expiry of the company's PSA for its old plant facility in April 2020 and the drop in electricity demand caused by the COVID-19 pandemic accounted for the drop in its bottomline.
 - 50%-owned CIPC contributed earnings of Php 30.3 mn, 28% lower than end-2019 level of Php 41.9 mn. This was mainly attributed to the 21% YoY reduction in the volume of energy sold due to the COVID-19 pandemic.
 - 40%-owned Prism Energy saw a 68% YoY decrease in earnings contribution to Php 11.4 mn from Php 35.5 mn. Energy sales fell by 35% YoY due to the decline in contracted capacities and the overall adverse effect of the COVID-19 pandemic on electricity consumption. Further to this, the increase in cost of power during the year resulted to reduced profitability.

3. Management and service fees went up by 115% YoY to Php 210.2 mn due to new SLAs and higher rates for existing SLAs with associates and joint ventures.
4. Engineering service income significantly rose to Php 111.1 mn in 2020 from Php 18.6 mn in 2019. This was mainly attributed to the water engineering service contracts of 60%-owned WMP. Coreenergy also shored in revenues from its electrical engineering services, a new service line introduced in 2020.
5. Interest income dropped by 59% YoY to Php 62.2 mn, which mainly resulted from lower interest rates on short-term placements.

Total cost of services and operating expenses as of end-2020 was reduced by 44% YoY, from Php 3.1 bn to Php 1.7 bn. Said movement can be accounted for by the following:

1. Total cost of services dropped by 57% YoY to Php 1.0 bn from Php 2.3 bn. This can be mainly attributed to the 62% YoY contraction in generation cost to Php 896.2 mn as of end-2020 from Php 2.3 bn as of end-2019. Lower energy sales of 1590 EC mainly accounted for this decline.

Meanwhile, engineering service fees went up to Php 117.7 mn as of end-2020 from Php 1.5 mn as of end-2019. This was mainly attributed to the technical consultancy and materials costs incurred by WMP for its projects during the year in review. Service costs incurred by Coreenergy for its engineering services contracts also contributed to the increase.

2. Salaries and employee benefits grew by 40% YoY to Php 284.0 mn from Php 203.0 mn. Upward movement in salaries and bonuses mainly accounted for this increase.
3. Professional fees went down by 9% YoY to Php 157.3 mn from Php 173.7 mn. In 2019, Vivant Energy incurred a non-recurring legal fee in relation to one of its projects.
4. Taxes and licenses were higher by 7% YoY to Php 58.9 mn from Php 55.3 mn. The improved prior year revenues of the Company, 1590 EC, Vivant Energy, CORE, and ETEI resulted to higher local business taxes. Additional business taxes were incurred due to the change of business address by the Company and its subsidiaries. Payment of documentary stamp taxes (DST) were made in 2020 as a result of the share issuance by four subsidiaries, and booking of advances from shareholders by a subsidiary that is developing a new power plant project and another subsidiary for its solar rooftop projects.
5. Depreciation and amortization went up by 52% YoY to Php 48.4 mn from Php 31.9 mn. The increase was attributed to higher depreciation expense due to the purchase of new assets and the depreciation of the right-of-use asset for a lease that was contracted in the fourth quarter of 2019.
6. Management fees rose by 17% YoY to Php 26.0 mn from Php 22.2 mn. This was attributed to the increased frequency of board and committee meetings.
7. Outside services was up by 32% YoY to Php 25.7 mn from Php 19.5, which is materially attributed to the hosting and support fees incurred for the Company's enterprise resource planning (ERP) system and the spot market trading software used by Vivant Energy.

8. Travel expenses saw a drop of 71% YoY to Php 10.8 mn from Php 37.5 mn. This can be attributed to reduced business travel frequency due to government-mandated travel and mobility restrictions imposed during the year.
9. Representation expenses were lower by 30% YoY to Php 6.0 mn from Php 8.6 mn. More virtual meetings were held as a result of travel restrictions and physical distancing requirements brought about by the implementation of community quarantine in the country.
10. Rent and association dues was significantly higher by 65% YoY at Php 5.9 mn from Php 3.6 mn. This resulted from the increase in association dues for the Company's principal office and costs incurred by a subsidiary for the lease involving a future project site.
11. In 2019, a subsidiary involved in the administration of 17 MW of geothermal power incurred a project termination cost in the amount of Php 53.1 mn. Said cost was realized for the termination of its contract with PSALM in 2019.
12. Provision for estimated liability in the amount of Php 32.6 mn was recognized by a subsidiary in 2019, which arose from a prior year sale of investment properties.
13. Other operating expenses rose by 10% YoY to Php 78.3 mn from Php 71.0 mn. This resulted substantially from higher donations to Vivant Foundation Inc (VFI). Higher issuance fees for project-related bid and performance securities, new software subscriptions, and higher repairs expense also contributed to the increase in other expenses.

Vivant booked Php 187.5 mn in other charges during the year in review, vis-à-vis previous year's other income of Php 16.3 mn. This was an outcome of the following account movements:

1. A one-off gain of Php 235.3 mn was booked in 2019 as a result of the increase in the fair value of investment properties in 3 subsidiaries. There was none in 2020.
2. The finance cost on the amortization of the finance lease liability was reduced by 12% YoY to Php 75.3 mn from Php 85.7 mn.
3. An unrealized foreign exchange gain of Php 4.3 mn was taken up in 2020. This pertains to the restatement of the US Dollar and Euro cash balances of the Company and four subsidiaries (Vivant Energy, 1590EC, ETEI, and INEC). This was against an unrealized foreign exchange loss of Php 4.4 mn recorded in 2019.
4. Other income grew by 35% YoY to Php 56.4 mn from Php 41.9 mn. Proceeds from insurance claims mainly accounted for this increase.

The Company posted a 43% YoY drop in accrued consolidated income tax expense to Php 154.4 mn from Php 271.7 mn. This was mainly a result of the decline in 1590 EC's energy sales and the absence of any topline contribution from Vivant Energy in 2020.

Taking all of the above into account, the Company recorded a total net income of Php 1.7 bn for the period ending December 31, 2020, which is 36% lower than last year's Php 2.7 bn. Net income attributable to parent amounted to Php 1.4 bn, down by 38% from end-2019 level of Php 2.3 bn.

During the period in review, the Company recognized other comprehensive income (OCI) of Php 386.0 mn, which was mainly attributed to the revaluation increment of an associate. Re-measurement gain on the Company's available-for-sale investment (AFS) in compliance with the PFRS 9⁶, net of tax, also contributed to the OCI. This compares to the other comprehensive loss of Php 20.3 mn recognized in 2019, which substantially came from the re-measurement loss on employee benefits of 1590 EC and share in the re-measurement loss of associates, net of tax, in compliance with the Philippine Accounting Standards (PAS) 19R. The OCI during the year in review was offset by the re-measurement loss on employee benefits in the Company and Vivant Energy, and share in the re-measurement loss of associates, net of tax, under PAS 19R.

The total comprehensive income as of end-2020 was at Php 2.1 bn. Out of the said amount, Php 1.8 bn was attributable to the equity holders of the parent, which was 21% lower compared to last year's Php 2.3 bn.

Changes in Registrant's Resources, Liabilities, and Shareholders' Equity

The Company's consolidated total assets as of year-end 2020 expanded by 8% to Php 22.6 bn from Php 20.9 bn in 2019. The material movements in the assets of the Company are discussed below.

1. Cash and cash equivalents expanded by 11% YoY to Php 4.9 bn as of end-2020 from Php 4.4 bn as of end-2019. This was attributed to the net cash generated from operating and investing activities.
2. Advances to associates, joint ventures and stockholders significantly went up by 176% YoY to Php 253.1 mn from Php 91.8 mn. The increase was mainly a result of the interest-bearing advances to an associate for a waste-water treatment project that the Company invested in.
3. Inventories-at cost rose by 118% YoY to Php 220.5 mn as of end-2020. This was attributed to the purchase of fuel by 1590 EC and INEC, net of the inventory withdrawals of WMP for a contract project involving an expansion of an existing surface water facility.
4. Prepayments and other current assets rose by 76% YoY to Php 281.9 mn as of end-December 2020 from Php 159.9 mn in 2019. During the year in review, INEC made down payments to contractors for the on-going construction of an oil-fired power generation facility.

⁶ PFRS 9, *Financial Instruments*. Equity securities of a company with the intention to hold these investments for the foreseeable future shall be irrevocably designated at Fair Value through Other Comprehensive Income (FVOCI). Gains and losses after initial recognition are presented under Other Comprehensive Income (OCI).

5. Property, plant and equipment was higher by 71% YoY to Php 2.3 bn from Php 1.3 bn, which was mainly attributed to the costs of the on-going construction of an oil-fired power plant by INEC. Project costs incurred for the solar projects in ETEI and equipment upgrade in 1590 EC also contributed to the increase.
6. Right-of-use assets was lower by 27% at Php 672.2 mn, which was due to the depreciation as of end-December 2020.
7. Deferred income tax assets increased by 10% at Php 34.0 mn. This was on account of the deferred tax adjustment recognized in relation to the pension liability of the Company.
8. Other noncurrent assets grew by 12% YoY to Php 1.2 bn from Php 1.0 bn. This was mainly attributed to the deferred input VAT on the capital purchases of INEC, development cost, and capitalized debt issue cost pertaining to the arranger fee for the Company's FRCN.

Total consolidated liabilities rose by 3% YoY to Php 6.3 bn as of end-2020 from end-2019's Php 6.1 bn. This was mainly brought about by the following:

1. The availment of a short-term borrowing by 1590 EC for its working capital requirements and a bridge financing facility by INEC for its new power plant project in the Visayas.
2. Income tax payable increased by 131% to Php 37.0 mn, which pertains to the fourth quarter earnings of 1590 EC and INEC.
3. A 30% increase in accrued pension expense by the Company and Vivant Energy.

The rise in liabilities was tempered by the following:

1. Current portion of trade and other payables were lower by 27% to Php 875.8 mn from Php 1.2 bn. This was attributed to the settlement of trade payables and accrued expenses (mostly in Vivant Energy and 1590 EC). The drop in deferred output VAT on the back of collections of trade receivables also contributed to the decrease in payables during the period in review.
2. Advances from related parties decreased by 69% to Php 5.7 mn from Php 18.3 mn due to the reclassification of a liability to a party that ceased to be a related party after its shares were bought out by 2 subsidiaries in 2019.
3. Lease liabilities-net of current portion reduced by 41% from Php 516.3 mn to Php 303.1 mn. This was mainly attributed to the amortization of the finance lease recognized in 1590 EC under PFRS 16.
4. Deferred income tax liabilities went down by 7% to Php 189.8 mn from Php 203.4 mn, which was an offshoot of the amortization of 1590 EC's finance lease liability under PFRS 16.

Other components of equity grew by 26% to Php 1.5 bn as of end-December 2020, which can be attributed to the significant movements discussed below.

1. The Company's share in the revaluation increment of VECO increased by 25% to Php 1.7 bn in 2020 from Php 1.3 bn in 2019.
2. The Company, Vivant Energy and 1590 EC recorded re-measurement losses on the employee benefits resulting to a 27% increase from Php 10.3 mn in 2019 to Php 13.0 mn in 2020.
3. The Company's share in the re-measurement losses on employee benefits of 3 associates increased by 20% from Php 80.4 mn in 2019 to Php 96.2 mn in 2020.

As a result of the net income generated net of the dividends declared during the year in review, the total stockholders' equity increased by 10% to Php 16.3 bn as of end-2020 from Php 14.8 bn as of end-2019. Meanwhile, equity attributable to parent ended higher by 10% YoY at Php 15.4 bn as of end-2020.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash and cash equivalents were higher by 11% from Php 4.4 bn as of end-2019 to Php 4.9 bn as of end-2020.

Operating activities showed a net cash inflow of Php 103.3 mn as of end-2020, from the net cash inflow of Php 457.3 mn as of end-2019. The reduced net cash inflows were mainly due to the settlement of trade and other payables (mostly for accrued expenses in 1590 EC and Vivant Energy). Higher disbursements for inventories also contributed to the use of cash during the year in review, offset by the collection of trade and other receivables.

Investing activities generated cash in the amount of Php 651.2 mn, which was 33% lower than the net cash inflow of Php 966.4 mn in the same period last year. The costs incurred by 65%-owned INEC for the construction of a 23-MW oil-fired power generation facility mainly accounted for the use of cash during the year in review. Net cash inflows were further reduced by spending related to projects in ETEI and 100%-owned VHHI, and additional investments in three associates and a joint venture. This is tempered by the 43% YoY increase in total dividends received from investee companies (VECO, AHI, MPC, CPPC, DPI, Prism Energy and CIPC), and proceeds from redemption of preferred shares by 50%-owned DPI.

Financing activities as of end-2020 recorded a cash usage of Php 291.7 mn, posting a 64% YoY drop vis-à-vis last year's Php 801.1 mn. The proceeds from the short-term notes payable of 1590 EC and INEC, and infusions from a minority shareholder of INEC for its new power plant project in the Visayas as well as from a minority shareholder of 50.94%-owned HDFE for a one-off expense mainly accounted for the significant decrease in net cash outflow against the end-2019 level. This is tempered by the Company's interest-bearing advances related to the combined sewerage and septage project of an associate, dividend payments by the Company and 2 subsidiaries and lease payments by the Company and 1590 EC during the year in review.

Financial Ratios

Debt-to-Equity ratio was lower at 0.38x as of end-2020 vis-à-vis end-December 2019 level of 0.41x. Total equity increased by 10%, which was attributed to the earnings for the period, net of the Company's dividend declaration in 2020. Meanwhile, total liabilities rose by 3%, which mainly stemmed from the short-term loans of 1590 EC and a bridge financing facility of INEC. Higher accrued income tax of 1590 EC and INEC, and pension liabilities of the Company and Vivant Energy, net of the payment of trade payables (mostly in Vivant Energy and 1590 EC), also contributed to the increase in liabilities.

The Company's current ratio dropped to 1.33x as of end- 2020 from year-end 2019 level of 3.42x. Current liabilities showed a significant increase of 199% from end-2019 level, while current assets only recorded a growth of 16%. The Company's outstanding FRCN in the amount of Php 2.8 bn, which will mature in February 2021, has been recognized as a current liability. Moreover, the availment of short-term notes payable by 1590EC and INEC, and accrued income tax from 1590 EC and INEC also contributed to the rise in current liabilities as of December 31, 2020.

Item 7. Financial Statements

The audited consolidated financial statements of the Company for the years ended December 31, 2020, December 31, 2019, and December 31, 2018 are attached hereto as Exhibits "B", "C" and "D", respectively.

Item 8. Information on Independent Accountant and other Related Matters

1. External Audit Fees and Services

Following the Annual Stockholders Meeting last June 20, 2019 where the authority to confirm or appoint the external auditors was delegated to the Board of Directors, the Board of Directors confirmed the appointment of SyCip Gorres Velayo & Co. (SGV) as its external auditor for fiscal year 2020.

The table below sets forth the aggregate fees billed to the Company for professional services rendered by SGV in fiscal year 2020.

Fee Type	2020
Audit Fees	660,526
Tax Fees ¹	434,983
Advisory Services ²	1,419,000
All Other Fees ³	210,044
Total	2,724,553

Notes:

- 1. Tax Consultancy.*
- 2. Includes impact assessment of COVID-19 and transfer pricing documentation*
- 3. Trainings on Philippine Data Privacy Assessment Project and trainings on Taxation and Philippine Financial Reporting Standards.*

Both management and the Audit Committee evaluated the audit fee of SGV. This was recommended to and approved by the Board of Directors.

2. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There was no event in the past year where Vivant and SGV or the handling partner had any disagreement with regard to any matter relating to accounting principles or practices, financial disclosures or auditing scopes or procedures.

PART III: CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

1. Directors, Independent Directors and Executive Officers

(i) Board of Directors for 2020-2021

The Company currently has eleven (11) directors, four (4) of whom are independent directors. Below are the directors who have held offices as such since their election last September 11, 2020:

MR. RAMONTITO E. GARCIA
 MR. EDGAR JOHN A. GARCIA
 MR. EMIL ANDRE M. GARCIA
 MR. GIL A. GARCIA II
 MR. CHARLES SYLVESTRE A. GARCIA
 MR. ARLO A. G. SARMIENTO
 MR. JOSE MARKO ANTON G. SARMIENTO
 MR. CARMELO MARIA LUZA BAUTISTA (Independent Director)
 MR. ROGELIO Q. LIM (Independent Director)
 AMB. RAUL CH. RABE (Independent Director)
 ATTY. JESUS B. GARCIA, JR. (Independent Director)

They shall serve as directors for a term of one (1) year and until their successors are duly elected and qualified.

The Chairmen and the members of the respective Board Committees were also appointed as follows:

BOARD COMMITTEE	CHAIRMAN	MEMBERS
Audit Committee	Atty. Jesus B. Garcia, Jr. – Independent	Mr. Arlo Angelo G. Sarmiento Mr. Ramontito E. Garcia Mr. Rogelio Q. Lim - Independent Amb. Raul Ch. Rabe - Independent
Finance Committee	Mr. Carmelo Maria Luza Bautista – Independent	Mr. Jose Marko Anton G. Sarmiento Mr. Gil A. Garcia II Mr. Ramontito E. Garcia Mr. Edgar John A. Garcia Atty. Jesus B. Garcia, Jr. – Independent
Corporate Governance Committee	Mr. Rogelio Q. Lim – Independent	Amb. Raul Ch. Rabe - Independent Atty. Jesus B. Garcia, Jr. - Independent
Related Party Transaction Committee	Mr. Rogelio Q. Lim – Independent	Mr. Charles Sylvestre A. Garcia Atty. Jesus B. Garcia, Jr. - Independent
Board Risk Oversight Committee	Amb. Raul Ch. Rabe – Independent	Mr. Jose Marko Anton G. Sarmiento Mr. Rogelio Q. Lim - Independent Atty. Jesus B. Garcia, Jr. - Independent

For the year 2020, Vivant held six (6) regular meetings of the Board, specifically, on January 30, 2020, March 25, 2020, May 13, 2020, August 7, 2020, September 11, 2020 and November 13, 2020. There were eleven (11) special meetings of the Board. The following summarizes the attendance of the Board of Directors:

Director	Designation	Board Meetings	Annual Stockholders' Meeting
Dennis Nicolas A. Garcia⁺¹	Former Chairman of the Board	1 out of 6 regular board meetings; 4 out of 11 special meetings	Not Present
Ramontito E. Garcia	Chairman of the Board and CEO;	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Edgar John A. Garcia²	Vice Chairman	3 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Arlo A. G. Sarmiento	President	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Gil A. Garcia II	Director	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Charles Sylvestre A. Garcia	Director	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Jose Marko Anton G. Sarmiento	Director	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Emil Andre M. Garcia	Director	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Jesus B. Garcia, Jr.	Independent Director	5 out of 6 regular board meetings; 11 out of 11 special meetings	Not Present
Raul Ch. Rabe	Independent Director	4 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Rogelio Q. Lim	Independent Director	6 out of 6 regular board meetings; 11 out of 11 special meetings	Present
Carmelo Maria Luza Bautista	Independent Director	5 out of 6 regular board meetings; 11 out of 11 special meetings	Present

Notes:

1. In a disclosure dated April 3, 2020, the Company informed the SEC of the demise of Mr. Dennis N.A. Garcia.
2. Pursuant to the By-laws of the Corporation, the vacancy in the members of the Board of Directors due to the demise of Mr. Dennis A. Garcia was filled by a majority vote of the remaining members of the Board at a special meeting called for that purpose on July 9, 2020. Mr. Edgard John A. Garcia was elected as a member of the Board of Directors and the Vice Chairman effective on the same date.

Below are Vivant's directors for 2020 - 2021 with their corresponding ages, citizenship, positions, periods of service and offices held for the past five (5) years:

Ramontito E. Garcia, 64 years old, Filipino, has been a Director and member of the Executive Committee of the Company since December 20, 2002. He assumed the role of the Chairman and CEO of the Company on April 6, 2020. Prior to this, he held the position of President from December 2002 to April 2020. He is also a member of the Finance Committee and the Audit Committee of the Company. Other positions currently held are as follows: Chairman and CEO - Vivant Energy Corporation; Chairman - Visayan Electric Company, Inc., Hijos de F. Escaño, Inc., Vivant Renewable Energy Corporation, and Minergy Power Corporation; Chairman and President - JEG Development Corporation; and Director – Vivant Infracore Holdings Inc., Vivant Hydrocore Holdings Inc., Vivant Transcore Holdings Inc., Abovant Holdings, Inc., and JEGVEG Realty, Inc.; He is also the Chairman of Vivant Foundation, Inc.

Edgar John A. Garcia, 70 years old, Filipino, has been a Director and Vice Chairman of the Company since April 9, 2020. He concurrently holds the position of President of MAI-I Resources Corporation. Mr. Garcia has a degree in Mechanical and Electrical Engineering.

Arlo A. G. Sarmiento, 45 years old, Filipino, has been a Director and member of the Executive Committee of the Company since 2003. He assumed the role of the President in April 6, 2020. Prior to this, he held the position of Executive Vice President from 2003 to April 2020. Mr. Sarmiento is a member of the Audit Committee, and concurrently holds the following positions: Chairman - 1590 Energy Corporation, Vivant Malogo Hydropower Inc., Vivant Integrated Generation Corporation, Isla Norte Energy Corporation formerly Vivant Powercore Active Inc., Vivant Infracore Holdings, Inc., Vivant Hydrocore Holdings, Inc., Vivant Transcore Holdings, Inc., Vivant Corporate Center, Inc., Vivant Realty Ventures Corporation, Vivant Integrated Diesel Corporation, Vivant Isla Inc., Southern Powercore Holding Corporation, Amberdust Holding Corporation, La Pampanga Energy Corp formerly Vivant Enercore Integrated, Inc., Vivant Geo Power Corporation and Lihangin Wind Energy Corporation; Vice-Chairman – Lunar Powercore Inc. and Global Luzon Energy Development Corporation; Director and President - Vivant Energy Corporation; Director and Vice President for External Relation and Monitoring of Visayan Electric Company, Inc.; Director and Treasurer - Abovant Holdings, Inc. and JEGVEG Realty, Inc.; Director and Chief Executive Officer - JEG Development Corporation; Director and Vice President - Vivant Renewable Energy Corporation; Director – Delta P., Inc., Calamian Islands Power Corporation, Hijos De F. Escaño, Inc., Cebu Energy Development Corporation, Minergy Power Corporation, Watermatic Philippines Corporation, Isla Mactan-Cordova Corporation, Faith Lived Out Visions 2 Ventures Holdings, Inc., and Puerto Princesa Water Reclamation and Learning Center Inc.; and Board of Trustee and President of Vivant Foundation, Inc. Mr. Sarmiento holds a degree in Bachelor of Arts in Social Sciences from the Ateneo de Manila University.

Gil A. Garcia II, 68 years old, Filipino, has been a Director and a member of the Executive Committee of the Company since September 30, 2004. He is also a member of the Finance Committee. Mr. Garcia was the Treasurer of the Company from 2004 to 2014. Other positions presently held include: Director - Visayan Electric Company, Inc. and Director, Chief Finance Officer and Treasurer of MAI-I Resources Corporation.

Charles Sylvestre A. Garcia, 60 years old, Filipino, is a Director of the Company and Member of the Company's Executive Committee since September 30, 2004. He is also a member of Related Party Transaction Committee.

Emil Andre M. Garcia, 43 years old, Filipino, has been a Director of the Company since 2009. He assumed the role of Senior Vice President – Power in July 2020. Prior to this, he held the Assistant Vice President position for Corporate Planning and Development of the Company from February 2011 to December 2011. He was the Vice President for Operations from December 2012 to February 2019 before transferring to Vivant Energy Corporation as its Executive Vice President and Chief Operation Officer. Other positions currently held are as follows: Vice President, Treasurer and Director of Visayan Electric Company, Inc. since 2010; Chairman - La Pampanga Energy Corporation formerly Vivant Enercore Integrated, Inc., Vivant Solar Corp., ET-Energy Islands Corp., Calamian Islands Power Corporation and Delta P, Inc.; Director, President and Chief Executive Officer for Vivant Geo Power Corporation, 1590 Energy Corporation, Isla Norte Energy Corporation formerly Vivant Powercore Active, Inc., Southern Powercore Holding Corporation, Vivant Integrated Diesel Corporation, Vivant Integrated Generation Corporation, Vivant Renewable Energy Corporation, Vivant-Malogo Hydropower Inc., Vivant Isla Inc., Vivant Corporate Center, Inc., Vivant Realty Ventures Corp., Amberdust Holding Corporation and Lihangin Wind Energy Corporation; President – Hijos De F. Escano; Director - Cebu Energy Development Corporation, Isla Mactan-Cordova Corporation, Minergy Power Corporation, and Therma Visayas, Inc.; Director and Vice President - Global Luzon Energy Development Corporation and Lunar Powercore Inc.; Vice Chairman – Cebu Private Power Corporation; and Director and Chief Finance Officer of EMAG Resources and Development Corporation. He was also the President of Christ Company in 2009 to 2011. Mr. Garcia graduated from Velez College in 1998 with the degree in Bachelor of Science in Medical Technology.

Jose Marko Anton G. Sarmiento, 43 years old, Filipino, has been a Director and Member of the Executive Committee of the Company since 2008. Mr. Sarmiento is also a member of the Board Risk Oversight Committee and Finance Committee of the Company. He is also the Chief Operating Officer of JEG Development Corporation (since 2009) and of JEGVEG Realty, Inc. since 2009. Prior to this, he was the Treasury Manager of JEG Development Corporation and was the Vice President for Manufacturing at Detalia Aurora, Inc. Mr. Sarmiento holds a degree in Bachelor of Science in Business Administration from Methodist University in North Carolina, USA. He obtained his Advanced Professional Training in Innovation Management in Product Development from Inwent in Bonn, Germany in 2004.

Raul Ch. Rabe, 81 years old, Filipino, has been the Independent Director of the Company since 2003. He is the Chairman of the Board Risk Oversight Committee and a member of the Audit Committee and the Corporate Governance Committee. Other positions currently held or held in the past are the following: Director – Cagayan Electric Power and Light Co. (Cagayan de Oro), up to present; Director - Minergy Power Corporation (Cagayan de Oro), Counsel of the Law Firm of Rodrigo, Berenguer & Guno (Makati City); Corporate Secretary - Manila Economic & Cultural Office (MECO) since 2001; Director - the Bank of Commerce, KGL-Negros Navigation, and Pet Plans, Inc. (Makati City); Foreign Service Officer of the Department of Foreign Affairs (1968 to 1999); Third to Second Secretary in London (1972 to 1975); First Secretary in Bucharest (1975 to 1979); Chief Deputy of Protocol of the Department of Foreign Affairs (1979 to 1981); Minister Counselor in Jeddah (1981 to 1982); Minister and later Deputy Chief of Mission in Washington D.C., (1982 to 1984 and 1986 to 1989, respectively); Consul General in Honolulu (1984 to 1986); Assistant Secretary of the American Affairs (1989 to 1992); Ambassador to Seoul (1992 to 1993); Ambassador to the United States (1993 to 1999); and Special Envoy of the President of the Philippines for the Americas and OIC Countries in 2001.

Jesus B. Garcia, Jr., 75 years old, Filipino, has been the Independent Director and concurrently, the Chairman of the Audit Committee and a member of the Finance Committee, Corporate Governance Committee, Related Party Transaction Committee and Board Risk Oversight Committee of the Company. Mr. Garcia was the Secretary of the Department of Transportation and Communications of the Republic of the Philippines for the period 1992 to 1996. Other positions currently held are as follows: Chairman - SunStar Publishing, Inc., Pan Arts Corporation, and SunStar Management, Inc.; and President, Jesever Realty Corporation, and Madre Realty Corporation.

Rogelio Q. Lim, 79 years old, Filipino, has been the Independent Director of the Company since June 15, 2017. He is also the Chairman of the Corporate Governance Committee and the Related Party Transaction Committee, and a member of the Board Risk Oversight Committee and Audit Committee of the Company. Other positions held in the past are the following: Director, President and CEO – East Asia Utilities Corp.; Senior Vice President and General Manager – Cebu Private Power Corp.; Senior Vice President - Aboitiz Power Corp. (Oil Group); Director and Vice Chairman – Metro Cebu Water District; Director – Mactan Cebu International Airport Authority, and American Chamber of Commerce Cebu Chapter; President and Director – Cebu Business Club; Manufacturing and Operations Consultant - Hercules and Ultramarine; Director Digital Products Engineering – Timex Corp.; Far East Manufacturing Manager – Timex F E; President and General Manager - TMX Philippines, Inc.; Vice President for Manufacturing – Comptronics Philippines, Inc.; Vice President and General Manager – Intron Industries Sinderian Berhad; Asst. Corp Q/A Manager and head of Applications Engineer – Union Carbide Philippines, Inc.; Project Engineer – US Army Topographic Command Department of Geodesy; Airways Engineer – Civil Aeronautics Administration; Director and Private Sector Representative – Regional Tripartite Wage and Productivity Board; and Private Sector and Committee Chair – Regional Development Council, Region VII.

Carmelo Maria Luza Bautista, 63 years old, Filipino, has been the Independent Director of the Company since June 15, 2017 and is the current Chairman of the Finance Committee. He assumed the role of Director and President of GT Capital Holdings Incorporated in 2011. Prior to his election, Mr. Bautista joined First Metro Investment Corporation in April of 2008 as Executive Director and was appointed as Chairman of the Risk Management Committee. He later assumed the position of Head of its Investment Banking Group in 2009. Mr. Bautista has been in the Banking and Financial Services sector for 39 years. Some highlights of his previous scope of responsibilities over this period include: Program Director at Citibank Asia Pacific Banking Institute; Vice President and Head of the Local Corporate and Public Sector Groups Citibank-Manila; Vice President-Real Estate Finance Group, Citibank N.A.-Singapore branch; Vice President-Structured Finance, Citibank N.A.-Singapore Regional Office; Country Manager, ABN AMRO Bank-Philippines; and President and CEO, Philippine Bank of Communications. Mr. Bautista has a Master's Degree in Business Management from the Asian Institute of Management where he graduated in the Dean's Citation List. He also has a Bachelor's degree, Major in Economics, from the Ateneo de Manila University. Mr. Bautista has no directorships in other listed companies aside from GT Capital. He is currently serving as Director of Federal Land, TMP, AXA Philippines and GT Capital Auto Dealership Holdings, Inc. and Chairman of Toyota Financial Services Philippines Corporation. He is also an Adviser to the Board of Trustees of GT Foundation, Inc.

Nominees for Election as Members of the Board of Directors

The Corporate Governance Committee conveyed to the Corporate Secretary on April 8, 2021 that the following were nominated as candidates for the Directors of the Company for the year 2021-2022

Regular Directors

MR. RAMONTITO E. GARCIA
MR. EDGAR JOHN A. GARCIA
MR. EMIL ANDRE M. GARCIA
MR. GIL A. GARCIA II
MR. CHARLES SYLVESTRE A. GARCIA
MR. ARLO A. G. SARMIENTO
MR. JOSE MARKO ANTON G. SARMIENTO

Independent Directors

MR. CARMELO MARIA LUZA BAUTISTA
MR. ROGELIO Q. LIM
MR. JOSE CARLITOS G. CRUZ
MR. LAURENCE R. ROGERO

Procedure for Nomination

In accordance with the Company's 2017 Revised Manual on Corporate Governance and Nomination and Election Policy, the Corporate Governance Committee had pre-screened the list of candidates nominated to become a member of the Board of Directors in accordance with the procedures, qualifications, disqualifications and guidelines specified in the said Manual and policy.

In consonance with SEC Memorandum Circular No. 16, Series of 2002, no nominations for independent director shall be accepted at the floor during the stockholders' meeting during which such nominee is to be elected. However, independent directors shall be elected in the stockholders' meeting during which other members of the Board are to be elected.

Nominations for Independent Directors and Procedure for Nomination

Compliance with SRC Rule 38 (Guidelines on the Nomination and Election of Independent Directors)

The procedure for the nomination and election of the independent directors is in accordance with Rule 38 of the SRC (SRC Rule 38) and the Nomination and Election Policy of the Company. The By-Laws of Vivant have not been amended to incorporate the requirements of SRC Rule 38. In approving the nominations for Independent Directors, the Corporate Governance Committee has pre-screened the qualifications of all nominated candidates, resulting in the above list of candidates with their respective nominating stockholders and all pertinent information, who have been nominated by Mr. Ramontito E. Garcia, who has no relationship to the nominees.

No nominations for independent director shall be accepted at the floor during the stockholders' meeting at which such nominee is to be elected. However, Independent Directors shall be elected in the stockholders' meeting during which other members of the Board are to be elected. The nominees are neither officers nor employees of the Company or any of its affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of an independent director.

The shareholdings of the above-nominees for independent directors of Vivant are merely qualifying shares and, individually or added together, does not exceed 5% of Vivant's outstanding shares. Vivant does not have any commitment to the nominees with respect to the issuance of the new common shares of Vivant.

Term of Office of a Director

Pursuant to the Company By-laws, the directors are elected at each regular annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and until his successor is duly elected unless he resigns, dies or is removed prior to such election.

The 11 directors, who should be stockholders of the Company, shall be elected annually by the stockholders during the annual stockholders' meeting, where at least a majority of the outstanding capital stock should be present in person or by proxy. The Directors shall serve for a term of 1 year and until the election and qualification of their successors.

Any vacancy occurring in the Board of Directors may be filled by the remaining members of the Board, if they still constitute a quorum, by a majority vote; and the director so chosen shall serve for the unexpired term or until his successor is duly elected and qualified.

(ii) Executive Officers for 2020-2021

After the election of the Board of Directors, the following persons were elected as officers:

Name	Position
Ramontito E. Garcia	Chairman of the Board and CEO
Edgar John A. Garcia	Vice - Chairman
Arlo A.G. Sarmiento	President
Minuel Carmela N. Franco	Treasurer
Atty. Jess Anthony N. Garcia	Corporate Secretary
Atty. Joan A. Giduquio-Baron	Assistant Corporate Secretary
Atty. Atty. Jesus B. Garcia, Jr.	Lead Director

The Board also confirmed the following to their respective positions:

Name	Position
Minuel Carmela N. Franco	Sr. VP - Corporate & Shared Services Group Chief Finance Officer Compliance Officer Chief Risk Officer
Atty. Jess Anthony N. Garcia	Sr. VP – Infrastructure Chief Information Officer
Mr. Emil Andre M. Garcia	Sr. VP – Power
Ms. Maria Cielita C. Añiga	VP – Human Resources
Maria Victoria E. Sembrano	Sr. AVP – Controllership and Corporate Services for Infrastructure
Brigette Cecile N. Garcia ⁷	AVP – Corporate Planning
Grant Clark	Special Assistant to the CEO AVP – Information Technology Data Protection Officer
Atty. Catherine S. Bringas	AVP – Legal
Shem Jose W. Garcia	AVP – Corporate Communications and Business Development Innovation
Mr. Ronnel Vergel E. De Leon	AVP – Treasury
Mr. Carlos F. Bargamento, Jr.	AVP – Internal Audit
Ms. Dyan Ramona S. Olegario	AVP – Accounting
Ms. Ellen S. Baladya	AVP – Water Infrastructure

The term of office of all officers shall be for 1 year and until their successors are duly elected and qualified. The above officers of the Company shall serve only for the unexpired term of their predecessors and until their successors are duly elected/appointed.

⁷ In a disclosure dated November 13, 2020, the Company informed the SEC of the promotion of Ms. Brigette Cecile N. Garcia to Sr. AVP – Corporate Planning.

Below are the Company's officers for 2020-2021 with their corresponding positions and offices held for the past five (5) years.

Ramontito E. Garcia, 64 years old, Filipino, has been a Director and member of the Executive Committee of the Company since December 20, 2002. He assumed the role of the Chairman and CEO of the Company in April 6, 2020. Prior to this, he held the position of President from December 2002 to April 2020. He is also a member of the Finance Committee and the Audit Committee of the Company. Other positions currently held are as follows: Chairman and CEO - Vivant Energy Corporation; Chairman - Visayan Electric Company, Inc., Hijos de F. Escaño, Inc., Vivant Renewable Energy Corporation, and Minergy Power Corporation; Chairman and President - JEG Development Corporation; and Director – Vivant Infracore Holdings Inc., Vivant Hydrocore Holdings Inc., Vivant Transcore Holdings Inc., Abovant Holdings, Inc., and JEGVEG Realty, Inc.; He is also the Chairman of Vivant Foundation, Inc.

Edgar John A. Garcia, 69 years old, Filipino, has been a Director and Vice Chairman of the Company since April 9, 2020. He concurrently holds the position of President of MAI-I Resources Corporation. Mr. Garcia has a degree in Mechanical and Electrical Engineering.

Arlo A. G. Sarmiento, 45 years old, Filipino, has been a Director and member of the Executive Committee of the Company since 2003. He assumed the role of the President in April 6, 2020. Prior to this, he held the position of Executive Vice President from 2003 to April 2020. Mr. Sarmiento is a member of the Audit Committee, and concurrently holds the following positions: Chairman - 1590 Energy Corporation, Vivant Malogo Hydropower Inc., Vivant Integrated Generation Corporation, Isla Norte Energy Corporation formerly Vivant Powercore Active Inc., Vivant Infracore Holdings, Inc., Vivant Hydrocore Holdings, Inc., Vivant Transcore Holdings, Inc., Vivant Corporate Center, Inc., Vivant Realty Ventures Corporation, Vivant Integrated Diesel Corporation, Vivant Isla Inc., Southern Powercore Holding Corporation, Amberdust Holding Corporation, La Pampanga Energy Corp formerly Vivant Enercore Integrated, Inc., Vivant Geo Power Corporation and Lihangin Wind Energy Corporation; Vice-Chairman – Lunar Powercore Inc. and Global Luzon Energy Development Corporation; Director and President - Vivant Energy Corporation; Director and Vice President for External Relation and Monitoring of Visayan Electric Company, Inc.; Director and Treasurer - Abovant Holdings, Inc. and JEGVEG Realty, Inc.; Director and Chief Executive Officer - JEG Development Corporation; Director and Vice President - Vivant Renewable Energy Corporation; Director – Delta P., Inc., Calamian Islands Power Corporation, Hijos De F. Escaño, Inc., Cebu Energy Development Corporation, Minergy Power Corporation, Watermatic Philippines Corporation, Isla Mactan-Cordova Corporation, Faith Lived Out Visions 2 Ventures Holdings, Inc., and Puerto Princesa Water Reclamation and Learning Center Inc.; Board of Trustee and President of Vivant Foundation, Inc. Mr. Sarmiento holds a degree in Bachelor of Arts in Social Sciences from the Ateneo de Manila University.

Emil Andre M. Garcia, 43 years old, Filipino, has been a Director of the Company since 2009. He assumed the role of Senior Vice President – Power in July 2020. Prior to this, he held the Assistant Vice President position for Corporate Planning and Development of the Company from February 2011 to December 2011. He was Vice President for Operations from December 2012 to February 2019 before transferring to Vivant Energy Corporation as its Executive Vice President and Chief Operation Officer. Other positions currently held are as follows: Vice President, Treasurer and Director of Visayan Electric Company, Inc. since 2010; Chairman - La Pampanga Energy Corporation formerly Vivant Enercore Integrated, Inc., Vivant Solar Corp., ET-Energy Islands Corp., Calamian Islands Power Corporation and Delta P, Inc.; Director, President and Chief Executive Officer for Vivant Geo Power Corporation, 1590 Energy Corporation, Isla Norte Energy Corporation formerly Vivant Powercore Active, Inc., Southern Powercore Holding Corporation, Vivant Integrated Diesel Corporation, Vivant Integrated Generation Corporation, Vivant Renewable Energy Corporation, Vivant-Malogo Hydropower Inc., Vivant Isla Inc., Vivant Corporate Center, Inc., Vivant Realty Ventures Corp., Amberdust Holding Corporation and Lihangin Wind Energy Corporation; President – Hijos De F. Escano; Director - Cebu Energy Development Corporation, Isla Mactan-Cordova Corporation, Minergy Power Corporation, Therma Visayas, Inc.; Director and Vice President - Global Luzon Energy Development Corporation and Lunar Powercore Inc.; Vice Chairman – Cebu Private Power Corporation; and Director and Chief Finance Officer of EMAG Resources and Development Corporation. He was also the President of Christ Company in 2009 to 2011. Mr. Garcia graduated from Velez College in 1998 with the degree in Bachelor of Science in Medical Technology.

Minuel Carmela N. Franco, 49 years old, Filipino, has been the Senior Vice President for Corporate and Shared Services since 2019 and concurrently the Treasurer, Group Chief Finance Officer, Chief Risk Officer and Compliance Officer. Prior to this, she held the Vice President for Finance position of the Company from 2013 to 2018. Ms. Franco also currently holds the following positions: Chairman – Southern Grove Properties and Development Corporation; Director and Treasurer – Vivant Energy Corporation; Director - Southern Powercore Holding Corporation, Vivant Geo Power Corporation, Vivant Realty Ventures Corporation, Vivant Corporate Center, Inc., Amberdust Holding Corporation, and La Pampanga Energy Corporation formerly Vivant Enercore Integrated, Inc.; Director and Treasurer & Chief Finance Officer – Vivant Renewable Energy Corporation, Isla Mactan-Cordova Corporation, Vivant Hydrocore Holdings Inc., Vivant Infracore Holdings Inc., and Vivant Transcore Holdings, Inc.; and Watermatic Philippines Corporation; Board of Trustee and Treasurer – Vivant Foundation, Inc.; Treasurer and CFO – 1590 Energy Corporation, Delta P, Inc., Calamian Islands Power Corporation, Isla Norte Energy Corporation formerly Vivant Powercore Active Inc., Global Luzon Energy Development Corporation, Vivant Integrated Diesel Corporation, Faith Lived Out Visions 2 Ventures Holdings, Inc., Puerto Princesa Water Reclamation and Learning Center Inc. and Lunar Power Core Inc.; and Treasurer – Culna Renewable Energy Corp. Past positions held are as follows: Trader, Associate and Credit Analyst at Multinational Investment Bancorporation and Capital One Equities Corporation from 1992 to 1994; Investment Analyst at Kim Eng Securities Inc. and ING Barings (Phils.), Inc. from 1994 to 1997; Investment Officer at Standard Chartered Bank's Investment Services Group from 1998 to 2000; Project Analyst at Newgate Management, Inc. from 2000 to August 2002, Investor Relations Officer and Senior Project Analyst (Corporate Planning Group) at San Miguel Corporation from September 2002 to June 2007; Head of Investor Relations at Aboitiz Equity Ventures, Inc. and Aboitiz Power Corporation from July 2007 to December 2012. Ms. Franco holds a degree in Bachelor of Science in Business Economics (Cum Laude) from the University of the Philippines.

Jess Anthony N. Garcia, 49 years old, Filipino, has been the Corporate Secretary and Corporate Information Officer of the Company since 2003. He is also the Senior Vice President - Infrastructure since 2019. Prior to this, he held the position of Vice President for Legal of the Company from 2015 to 2018. Mr. Garcia concurrently acts as the Corporate Secretary of Vivant Foundation, Inc. and SunStar Publishing, Inc., and the Assistant Corporate Secretary of Abovant Holdings, Inc. Other positions currently held are as follows: Chairman – Watermatic Philippines Corporation; Director, President and Chief Executive Officer – Vivant Hydrocore Holdings Inc., Vivant Transcore Holdings Inc. and Vivant Infracore Holdings Inc.; Director – Vivant Corporate Center, Inc., Vivant Realty Ventures Corporation, La Pampanga Energy Corporation formerly Vivant Enercore Integrated Inc., Southern Powercore Holding Corporation, Vivant Geo Power Corporation and Amberdust Holding Corporation. He obtained his Juris Doctor degree from the Ateneo de Manila University School of Law and has been a member of the California Bar since 2002 and of the Philippine Bar since 1998.

Joan A. Giduquio-Baron, 50 years old, Filipino, has been the Assistant Corporate Secretary of the Company since 2003. Ms. Baron also holds other positions: Acting Corporate Secretary of Visayan Electric Company, Inc; Director and Assistant Corporate Secretary – Southern Grove Properties and Development Corporation; Assistant Corporate Secretary of Vivant Energy Corporation, 1590 Energy Corporation, Amberdust Holding Corporation, Corenergy, Inc., Vivant Solar Corporation, Isla Norte Energy Corporation formerly Vivant Powercore Active Inc., Southern Powercore Holding Corporation, Vivant Corporate Center, Inc., La Pampanga Energy Corporation formerly Vivant Enercore Integrated, Inc., Vivant Geo Power Corporation, Vivant Infracore Holdings Inc., Vivant Hydrocore Holdings Inc., Vivant Transcore Holdings Inc., Vivant Integrated Diesel Corporation, Vivant Realty Ventures Corporation, Vivant Renewable Energy Corporation, Vivant Isla Inc., Vivant Integrated Generation Corporation, Vivant-Malogo Hydropower, Inc., and Sun Star Publishing, Inc.; Corporate Secretary - JEGVEG Realty, Inc., JEG Development Corporation, JDC Tomodachi, Inc. and Watermatic Philippines Corporation. She obtained her Juris Doctor from the Ateneo de Manila University School of Law in 1996 and her Master in Management degree from the Asian Institute of Management in 2001. Ms. Baron has been a member of the Philippine Bar since 1997 and a Director of the Alumni Association of the Asian Institute of Management-Cebu Chapter. She is a Partner at J.P. Garcia and Associates. Prior to this, she was an Associate Attorney at Puno and Puno Law Offices from 1997 until 2001.

Maria Cielita Aniga, 64 years old, Filipino is the Vice-President for Human Resources. Prior to this, she served as Independent Consultant for Human Resources from 2018 to 2019. She is also the Founder and Chief Mentor of Pupils for Life, management consulting firm. Her previous employment was with Aboitiz Power - Distribution as SAVP for Human Resources from 2010 to 2016, Visayan Electric Company as AVP for Human Resources from 2004 to 2009, Davao Light and Power Company as AVP for Human Resources and Quality from 1993 to 2000, and various consulting and masteral teaching stints for Human Resources and Quality from 2000 to 2003. Ms. Aniga has a Master's Degree in Management, major in Industrial Relations from the University of the Philippines and has Chemical and Metallurgical Engineering degrees from the University of Mindanao and UP-MSU-IIT, respectively. She has certificates in talent management, Human Resources problem-solving, organizational development, and Quality management from institutions here and abroad.

Mark D. Habana, 44 years old, Filipino, is the newly-appointed Vice President of Vivant. Mr. Habana was first appointed as the Vice President for Commercial Affairs of Vivant in April 17, 2017. In 2019, Mr. Habana moved to Vivant Energy Corporation as its VP – Subsidiary Operations and Chief Risk Officer, before moving back to Vivant in 2021. He currently holds the following position: Director of 1590 Energy Corporation, Vivant Integrated Diesel Inc., Vivant Integrated Generation Corporation, Vivant Isla Inc., Calamian Islands Power Corporation, Delta P., Inc., Minergy Power Corporation, Visayan Electric Company, Inc and Vivant Malogo Hydropower Inc.; Director and Chief Operating Officer of Vivant Solar Corp. formerly ET-Vivant Solar Corp. and ET Energy Island Corp. Before joining the Company, he was AVP at Energy Development Corporation (EDC) since May 2014. He ran Operations of the BacMan Geothermal Business Unit and led EDC's Technology Innovation efforts. Prior to this, he was in the oil & gas industry from March 2007 to April 2014 as Manager of Business Development for Occidental Petroleum and Venoco Inc.; both in Denver, Colorado. From September 2002 to March 2007, he took on risk management and deal structuring roles at energy trading firms: Sempra Energy Solutions in California and Constellation Energy in Maryland. He graduated from the University of the Philippines with a Bachelor of Science degree in Mechanical Engineering (Cum Laude). In June 2002, Mr. Habana earned his Master of Science in Petroleum Engineering from Stanford University in California, and, in January 2009, he completed the Executive Management Program from the Harvard Business School in Massachusetts.

Michael B. Velasco, 46 years old, Filipino, is the newly-appointed Vice President of Vivant. He first joined the Vivant group in March 1, 2020 as Vice President for Business Development & Industry Affairs of Vivant Energy Corporation before moving to Vivant in 2021. He currently holds the position of Director of Prism Energy, Inc. Before joining the Company, he was with Pilipinas Shell Petroleum Corp. for more than 18 years. His last role in Shell was in Trading & Supply as Channel Optimisation Lead for PH, and was tasked with ensuring the optimization of the value chain of the fuels businesses of Shell in the country. Prior to Trading & Supply he was in the Commercial Fuels group as the Indirect Channel Team Lead which managed the fuels distributor portfolio. He also handled direct account in different industries, including Marine. He started in Shell with the Retail group having assumed roles in Sales and Marketing. Prior to Pilipinas Shell, he had brief stints in what was then Watson Wyatt Philippines, Inc. and Hertz Local Edition in Reseda, California. He graduated from the Ateneo de Manila University in March 1998 with a Bachelor of Arts degree with major in Management Economics.

Maria Victoria E. Sembrano, 59 years old, Filipino, has been the Senior Assistant Vice President for Controllershship of the Company since February 2018. She is also the Corporate Services for Infrastructure. Prior to this, she was the Assistant Vice President for Controllershship from 2012 to 2018. Concurrently, Ms. Sembrano also holds the following positions: Director and Treasurer & CFO - Southern Grove Properties and Development Corp.; Treasurer and Chief Finance Officer - Vivant Corporate Center, Inc., Vivant Realty Ventures Corporation, Vivant Isla Inc., Vivant Malogo Hydropower Inc., Corenergy, Inc., Southern Power Holding Corp., Vivant Geo Power Corp. and Amberdust Holding Corp. Before joining the Company, Ms. Sembrano was the Corporate Services Director of the Marsman Drysdale Agribusiness Group. Prior to this, other positions held in the Marsman Drysdale Agribusiness Group starting 1992 include positions in Finance, Logistics and Administration. Ms. Sembrano holds a degree in Bachelor of Science in Commerce, Major in Accounting (Magna Cum Laude) from the University of San Carlos.

Brigette Cecile N. Garcia, 33 years old, Filipino, assumed the position of Senior Assistant Vice President for Corporate Planning in November 2020. Prior to this, she has been the Assistant Vice President for Corporate Planning from February 2018 to October 2020, and the the Corporate Planning Senior Manager of the Company from 2016 to 2017. Before joining Vivant, she worked for a year as a Management Trainee for Utility Economics at Visayan Electric Company, Inc. and for 3 years as an Investment Consultant for Family Offices Private Banking at Credit Suisse AG in Singapore. Ms. Garcia graduated from Singapore Management University (SMU) with a double degree (Summa Cum Laude) in Bachelor of Science in Economics and Bachelor of Business Management in 2009. She was also the school Salutatorian and recipient of the Top Student of the School of Economics Award and the Monetary Authority of Singapore Academic Excellence Award. She obtained a Master's of Science degree in Accounting and Finance from London School of Economics (LSE) in 2013.

Grant Clark, 43 years old, Filipino, has been the Assistant Vice President for Business Development of the Company since October 2015 until taking up the position as Assistant Vice President for Administration and IT in 2019. He is also the Special Assistant to the Chief Executive Officer and Data Protection Officer. Mr. Clark currently holds the following positions: Director, President and Chief Executive officer – Southern Grove Properties and Development Corp.; Director of Vivant Corporate Center Inc. Prior to joining the Company, Mr. Clark worked for 12 years in the Government in Australia (Victoria), his last position being the Director of Economics at the Department of Sustainability and Environment (2010-2013). He moved to the Philippines in 2013 and worked briefly as a Director in KPMG Philippines (2013-2014). He has a Bachelor of Commerce degree with First Class Honors in Economics from Deakin University in Melbourne, Australia.

Catherine S. Bringas, 37 years old, Filipino, has been the Assistant Vice President for Legal since January 2017. Prior to this, she was the Legal Senior Manager of the Company from 2013 to 2016. Concurrently, Ms. Bringas holds the following positions: Director and Corporate Secretary – Southern Grove Properties and Development Corporation; Corporate Secretary – Vivant Energy Corporation, Vivant Solar Corp., ET Energy Island Corporation, Corenergy Inc., 1590 Energy Corporation, Delta P, Inc., Calamian Islands Power Corporation, La Pampanga Energy Corporation formerly Vivant Enercore Integrated Inc., Isla Norte Energy Corporation formerly Vivant Powercore Active Inc., Vivant Isla Inc., Vivant Geo Power Corp., Southern Powercore Holding Corp., Vivant Realty Ventures Corporation, Vivant Corporate Center, Inc., Amberdust Holding Corporation, Southern Powercore Holding Corporation, Vivant Infracore Holdings Inc., Vivant Hydrocore Holdings Inc., Vivant Transcore Holdings Inc., Vivant Integrated Diesel Corporation, Vivant Integrated Generation Corporation, Vivant-Malogo Hydropower, Inc., Vivant Renewable Energy Corporation, Vivant Isla Inc., Minergy Power Corporation, Isla Mactan-Cordova Corporatio and Visayan Electric Company, Inc. She holds a degree in Legal Management from De La Salle University and obtained her Juris Doctor from the Ateneo de Manila University School of Law in 2008. She has been a member of the Philippine Bar since 2009. Prior to Vivant, Ms. Bringas worked at the Power Sector Assets and Liabilities Management Corporation as a Corporate Attorney under the Office of the President and CEO.

Shem Jose W. Garcia, 41 years old, Filipino, has been the Assistant Vice President for Corporate Communications since February 2018. He also serves as the Executive Director of the Vivant Foundation, Inc. He previously served as a Director of Vivant Corporation from 2005-2008. He joined as a full-time employee of Vivant as the Senior Manager for Corporate Social Responsibility in 2014. He has a Bachelor Degree with Honors from the London College of Communications, University of the Arts London. He previously served as the Business Development Officer for JEG Development Corporation, where he currently serves in the Board of Advisors. He also serves as the President of the Board of Trustees for the Dominus Pascit Me Foundation and Corporate Secretary for Mon Y Liza Holdings.

Ronnel Vergel E. De Leon, 33 years old, Filipino, has been the Assistant Vice President for Treasury since February 2020. Before joining Vivant, Mr. De Leon was with Manila Water Company, Inc.'s Treasury Department from October 2011 to January 2020, where he held the Treasury Head position for two (2) years. Prior to this, he worked as Research Associate and Management Trainee at the Philippine Dealing System from 2007 to 2009. Mr. De Leon obtained his bachelor's degree in Economics (Magna Cum Laude) from the University of the Philippines-Diliman in 2007 under the Philippine Geothermal Inc scholarship for UP students. In 2011, he earned his master's degree in European Finance and Banking from the University of Warsaw in Poland under the European Commission's Erasmus Mundus scholarship. Mr. De Leon is a Certified Treasury Professional by the Ateneo-BAP Institute of Banking.

Carlos F. Bargamento, Jr., 38 years old, Filipino, has been the Assistant Vice President for Internal Audit since April 2020. Prior to this, he was the Internal Audit Senior Manager from 2013 to 2020. He joined the company in 2004 as an Accounting Assistant and became a Finance Manager in 2008. He concurrently serves as Internal Auditor of the Vivant Foundation, Inc. Mr. Bargamento obtained his degree in Bachelor of Science in Accountancy (Cum Laude) and Bachelor of Laws in University of San Jose-Recoletos. He is a Certified Public Accountant and also holds certification as a Certified Forensic Accountant (CrFA) and a Certified Internal Control Auditor (CICA).

Dyan Ramona S. Olegario, 36 years old, Filipino, has been the Assistant Vice President for Accounting since April 2020. Prior to this, she was the Accounting Senior Manager of the Company from October 2013 to 2020 and Treasury Manager from March to October 2013. Prior to joining Vivant, Ms. Olegario held the following positions: Business Development Manager in 2012 at Aboitizland Inc., Accounting Head at Taft Property Ventures Development Corporation from 2010 to 2012 and Senior Associate for Tax Services at SGV & Co from 2007 to 2010. Ms. Olegario is a Certified Public Accountant. She holds a degree in Bachelor of Science in Accountancy (Magna Cum Laude and recipient of the Most Outstanding Graduate Award) from the University of San Jose-Recoletos in 2005. In 2016, Ms. Olegario earned a certificate in Management Program from the Asian Institute of Management.

Ellen S. Baladya, 37 years old, Filipino, has been the Assistant Vice President for Water Infrastructure since July 2020. Prior accepting this position, Ms. Baladya was head of Technical and Innovation Services under Aboitiz InfraCapital, Inc. from February 2016 to June 2020 supporting water business development, project management and operation. After earning her degree in Civil Engineering (Gold Medalist) as an Alfonso Yuchengco Scholar from Mapua Institute of Technology in 2005, she worked at Manila Water Company, Inc. from 2005-2016 where she held various key management positions in marketing and operations

2. Significant Employees

The Company considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the Company's goals and objectives.

(i) Family Relationships

Messrs. Charles Sylvestre A. Garcia, Gil A. Garcia, and Edgar John A. Garcia II are brothers, or related within the second civil degree of consanguinity.

Mr. Ramontito E. Garcia is related within the fourth civil degree of consanguinity (cousin) to Messrs. Charles Sylvestre A. Garcia, Gil A. Garcia II, and Edgar John A. Garcia.

Mr. Emil Andre M. Garcia is related within the third civil degree of consanguinity to Messrs. Charles Sylvestre A. Garcia, Gil A. Garcia II, and Edgar John A. Garcia.

Mr. Arlo A. G. Sarmiento is related within the third civil degree of consanguinity (nephew) to Mr. Ramontito E. Garcia. He is also related within the fifth civil degree of consanguinity to Messrs. Charles Sylvestre A. Garcia, Gil A. Garcia II, and Edgar John A. Garcia. He is also related within the sixth civil degree of consanguinity to Mr. Emil Andre M. Garcia.

Mr. Jose Marko Anton G. Sarmiento is the brother of Mr. Arlo A. G. Sarmiento; thus, they are related within the second civil degree of consanguinity. He is also related within the fifth civil degree of consanguinity to Messrs. Charles Sylvestre A. Garcia, Gil A. Garcia II, and Edgar John A. Garcia. He is also related within the sixth civil degree of consanguinity to Mr. Emil Andre M. Garcia.

Mr. Shem Jose W. Garcia is the son of Mr. Ramontito E. Garcia and is related within the fourth civil degree of consanguinity (cousin) to Messrs. Arlo A. G. Sarmiento and Jose Marko Anton G. Sarmiento.

Ms. Brigette Cecile N. Garcia is the daughter of Edgar John A. Garcia. She is also related within the third civil degree of consanguinity (niece) to Messrs. Charles Sylvestre A. Garcia, and Gil A. Garcia II; related within the fourth civil degree of consanguinity (cousin) to Mr. Emil Andre M. Garcia.

Atty. Jess Anthony N. Garcia is related within the third civil degree of consanguinity (nephew) to Atty. Jesus B. Garcia, Jr.

Other than the foregoing, there are no other family relationships (of consanguinity or affinity) known to Vivant.

(ii) Involvement in Certain Legal Proceedings

To the knowledge and/or information of Vivant, none of its nominees for election as directors, its present members of the Board of Directors or its executive officers, is presently or during the last 5 years, been involved in any legal proceeding or bankruptcy petition or has been convicted by final judgment, or being subject to any order, judgment or decree or violated the securities or commodities law in any court or government agency in the Philippines or elsewhere for the past 5 years and the preceding years until December 30, 2020 which would put to question their ability and integrity to serve Vivant and its stockholders.

To the knowledge and/or information of the Company, the said persons have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

1. Compensation of top five (5) executive officers

Information as to the aggregate compensation paid and accrued during the last two calendar years to the Company’s Chief Executive Officer and the four (4) most highly compensated executive officers and directors are as follows:

SUMMARY COMPENSATION TABLE
Annual Compensation

Name and Principal Position	Year	Salary	Bonus	Other Compensation
Top Five Highly Compensated Executives				
1. Ramontito E. Garcia – Chairman & CEO				
2. Arlo A.G. Sarmiento – President				
3. Minuel Carmela N. Franco – Treasurer, SVP – Corporate and Shared Services, Chief Finance Officer, Chief Risk Officer, Compliance Officer				
4. Jess Anthony N. Garcia – General Counsel, SVP-Infrastructure, Corporate Secretary, Chief Information Officer				
5. Maria Victoria E. Sembrano – SAVP Controllership				
All above-named officers as a group	2020	Php 36.9 mn	Php 40.4 mn	
	2019	Php 24.3 mn	Php 19.4 mn	
All other directors and officers as a group unnamed	2020	Php 17.7 mn	Php 8.1 mn	Php 2.7 mn
	2019	Php 10.5 mn	Php 2.8 mn	Php 11.3 mn

2. Compensation of Directors

(i) Standard Arrangements

In 2020, each non-executive Director of the Board and members of the Board Committees received a per diem for every Board or Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board or Committee
Board Meeting	Php 50,000.00	Php 50,000.00
Executive Committee ¹	Php 10,000.00	Php 10,000.00
Committee Meeting ²	Php 40,000.00	Php 40,000.00
In-house Trainings or workshops ³	PhP 25,000.00	PhP 25,000.00

Notes:

1. The per diem for Executive Committee meetings was increased to PhP50,000 in October 2020.
2. The per diem for Board Committee meetings was increased to PhP50,000 in October 2020.
3. Beginning October 2020, directors are entitled to per diem for trainings or workshops attended which are conducted by the Company.

(ii) Other Arrangements

Other than honoraria for meetings, trainings or workshops attended, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments for the last completed fiscal year and the ensuing year.

Other than the indirect compensation of 2 directors via consultancy contracts that were in place during the Company's last fiscal year, there are no arrangements, including consulting contracts, pursuant to which any director of the registrant was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided by such director. Aforementioned consultancy contracts involving indirect compensation of the registrant's 2 directors will be in place in the ensuing year.

3. Employment Contracts and Termination of Employment and Change-in-Control Arrangements

In compliance with applicable labor laws and regulations and with the exception of Mr. Emil Andre M. Garcia⁸, Vivant has employment contracts with its officers which state their specific job functionalities. The salaries and bonuses of the named officers and other directors and officers as a group are included in the compensation table above.

Vivant has no existing compensatory plan or arrangement with any of its executives in case of resignation or any other termination of an officer's employment with the Company or its subsidiaries or from a change in the management control of the Company, or a change in an executive officer's responsibilities following a change in control.

⁸ Mr. Emil Andre M. Garcia was seconded from Vivant Energy to represent the power business in the Company.

4. Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the named executive officers, and all officers and directors as a group, as identified in Part III, Item 9. Moreover, at no time during the last completed fiscal year did the Company adjust or amend the exercise price of stock warrants or options previously awarded to the aforementioned officers and directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners (more than 5%)

As of the date of preparation of this report, the following are the persons known to the Company to be the direct or indirect record or beneficial owner of more than 5% of any class of the Issuer's voting securities:

Title of class	Name and address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent Held
Common Shares	Mai-I Resources Corporation 375-G Acacia St., Lahug, Cebu City / Stockholder	Mai-I Resources Corporation ¹	Filipino	464,831,568	45.42%
Common Shares	JEG Development Corporation Advent Business Center Lahug, Cebu City / Stockholder	JEG Development Corporation ²	Filipino	311,524,642	30.44%
Common Shares	Global Business Power Corporation / Stockholder	Global Business Power Corporation ³	Filipino	116,555,553	11.39%
Common Shares	PCD Nominee (Filipino) Participants are stockholders of the Company	Various PCD participants	Filipino	69,063,242	6.75%
Common Shares	All directors (as a group)	All directors	Filipinos	130,373,396	0.00%

Notes:

1. *Either Mr. Edgar John A. Garcia Mr. Gil A. Garcia, II or Mr. Charles Sylvestre A. Garcia, Directors of MAI-I Resources Corporation (MRC) will vote for the shares of MRC in Vivant in accordance with the directive of the MRC Board of Directors.*
2. *Either Mr. Ramontito E. Garcia or Mr. Jose Marko G. Sarmiento, Chairman and Chief Operating Officer of JEG Development Corporation (JDC), respectively, will vote for the shares of JDC in Vivant in accordance with the directive of the JDC Board of Directors.*
3. *Ms. Amanda Roselle Bengzon, Corporate Administrative Services Head of Global Business Power Corporation, will vote for the shares of Global Business Power Corporation (GBPC) in Vivant in accordance with the directive of the GBPC Board of Directors.*

2. Security Ownership of Management

As of the date of preparation of this report, the following are the amount and nature of ownership of each member of the Board of Directors and Officers:

Title of Class	Name of Beneficial Owners and Position	# of Shares and Nature of Ownership		Citizenship	% Own
Common Shares	Ramontito E. Garcia Chairman of the Board and CEO	Direct	30,001	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Edgar John A. Garcia Vice Chairman	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Arlo A. G. Sarmiento Director/President	Direct	86,800	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Charles Sylvestre A. Garcia Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Gil A. Garcia II Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Emil Andre M. Garcia Director/VP – Power	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Jose Marko Anton G. Sarmiento Director	Direct	28,501	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Carmelo Maria Luza Bautista Independent Director	Direct	100	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Rogelio Q. Lim Independent Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Raul Ch. Rabe Independent Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Jesus B. Garcia, Jr. Independent Director	Direct	1	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Minuel Carmela N. Franco Treasurer, Sr. VP – Corporate and Shared Services, Group Chief Finance Officer, Chief Risk Officer, and Compliance Officer	Direct	0	Filipino	0.0%
		Indirect	0		0.0%
Common Shares	Atty. Jess Anthony N. Garcia Sr. VP – Infrastructure, and Chief Information Officer	Direct	12,200	Filipino	0%
		Indirect	0		0%
Common Shares	Atty. Joan A. Giduquio-Baron Assistant Corporate Secretary	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Maria Cielita Aniga VP – Human Resources	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Mark D. Habana ¹ Vice President ²	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Michael B. Velasco Vice President	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Maria Victoria E. Sembrano Senior AVP - Controllershship	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Brigitte Cecille N. Garcia ³ Sr. AVP – Corporate Planning	Direct	0	Australian	0%
		Indirect	0		0%
Common Shares	Grant Clark Special Assistant to the CEO AVP- Information Technology Data Protection Officer	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Atty. Catherine S. Bringas AVP - Legal	Direct	0	Filipino	0%
		Indirect	0		0%

Title of Class	Name of Beneficial Owners and Position	# of Shares and Nature of Ownership		Citizenship	% Own
Common Shares	Shem Jose W. Garcia AVP – Corporate Communications	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Ronnell Vergel E. De Leon AVP – Treasury	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Carlos F. Bargamento, Jr. AVP – Internal Audit	Direct	1,930	Filipino	0%
		Indirect	0		0%
Common Shares	Dyan Ramona S. Olegario AVP – Accounting	Direct	0	Filipino	0%
		Indirect	0		0%
Common Shares	Ellen S. Baladya AVP – Water Infrastructure	Direct	0	Filipino	0%
		Indirect	0		0%
TOTAL		Direct	159,539		0%
		Indirect	0		0%

Notes:

- In a disclosure dated 26 March 2021, the Company informed the SEC that Mr. Mark D. Habana was appointed as Vice President effective April 1, 2021.*
- In a disclosure dated March 26, 2021, the Company informed the SEC that Mr. Michael B. Velasco was appointed as Vice President effective April 1, 2021.*
- In a disclosure dated November 13, 2020, the Company informed the SEC of the promotion of Ms. Brigette Cecile N. Garcia to Sr. AVP – Corporate Planning.*

Item 12. Certain Relationships and Related Transactions

During the last 2 years there was no transaction with or involving the Company or any of its subsidiaries in which a director, executive officer, or stockholder owns 10% or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

PART IV – CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Self-Rating Form of the SEC, the criteria and the rating system therein as a means of measurement or determination of the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

The Company issued its Revised Manual on Corporate Governance (the “Manual”) in 2017 and has substantially complied with the provisions, and the same has been disclosed to the SEC. It has plans to improve corporate governance by adopting good corporate practice recognized in more progressive corporations and incorporating the same in its Manual.

In its continuing efforts to update its directors and executive officers with the best practices in corporate governance, the members of the board of directors and the top-level management are encouraged to attend trainings and seminars. In 2020, the Company’s directors and executive officers attended an online Advanced Corporate Governance Training conducted by the Institute of Corporate Directors.

In compliance with the full disclosure rules on the Code of Corporate Governance, the Manual, and the reportorial requirement of the SEC on the extent of compliance by the Company with its Manual, the undersigned hereby certifies that the company has substantially complied with the provisions thereof.

As of the date of this Report, there are no changes in the corporate governance structure and practice.

Please refer to the attached Integrated Annual Corporate Governance Report for 2020, which was filed with the SEC in 2020.

Compliance with The Minimum Public Ownership Requirement

The Company is compliant with the Rule on Minimum Public Ownership, as amended. Based on information that is publicly available to the Company and within the knowledge of its directors it has 12.7385% public float as of March 31, 2021, which is the latest practicable date.

Board Performance

In January 2021, the Chairman of the Board initiated the performance evaluation process of the Board. A self-assessment was carried out by the directors to evaluate their individual performance, the performance of the Board as a whole and their respective committees, and the performance of the Chairman of the Board. The evaluation was based on criteria that determines the effectiveness of the Board, compliance with good governance principles of the individual Board of Directors, participation, engagement and contribution in meetings of each director, and performance of the duties and responsibilities of the Board Committees.

PART V - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

1. Exhibits

Index of Exhibits

Exhibit	Description
A	Vivant's Corporate Structure
B	Audited Consolidated Financial Statements as of December 31, 2020
C	Audited Consolidated Financial Statements as of December 31, 2019
D	Audited Consolidated Financial Statements as of December 31, 2018

2. Reports on SEC Form 17-C

Reports filed by Vivant on SEC Form 17-C from March 2020 to March 2021 are as follows:

1. Appointment of Maria Cielita C. Aniga and Ronnel Vergel C. De Leon dated February 6, 2020;
2. Demise of Mr. Dennis A. Garcia dated March 30, 2020;
3. Promotions of Mr. Carlos Bargamento, Jr. and Ms. Dyan Ramona S. Olegario dated March 30, 2020;
4. Notice of Annual Stockholders' Meeting dated April 1, 2020;
5. Results of election of new Chairman and CEO and President of Vivant dated April 3, 2020;
6. Postponement of the Annual Stockholders' Meeting dated April 28, 2021
7. Declaration of Regular and Cash Dividends dated May 13, 2020;
8. Appointment of Ellen S. Baladya dated July 6, 2020;
9. Results of election of new Director and Vice Chairman, new committee members and change in designation of certain executive officers of Vivant dated July 9, 2020.
10. Notice of Annual Stockholders' Meeting dated July 21, 2020;
11. Proposed Amendments to By-laws dated July 21, 2020;
12. Appointment to the Finance Committee of Mr. Edgar John Garcia dated August 27, 2020;
13. Results of the 2020 Annual Stockholders' Meeting dated September 11, 2021;
14. Results of the Organizational Meeting of the Board of Directors dated September 14, 2020;
15. Promotion of Ms. Brigette Cecile N. Garcia to Sr. AVP – Corporate Planning dated November 13, 2020;
16. Award of a Power Supply Agreement to a subsidiary dated December 1, 2020;
17. Signing of a Php3 Bn Notes Facility Agreement dated December 4, 2020;
18. Acquisition of equity interest in power companies by wholly-owned subsidiaries dated February 23, 2021;
19. Signing of Shareholders' Agreement by a subsidiary with a solar company dated March 11, 2021;
20. Board approval of the conduct of 2021 ASM dated March 29, 2021; and
21. Appointment as Vice President of both Mr. Mark D. Habana and Mr. Michael B. Velasco dated March 29, 2021.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Cebu on the 13th day of April 2021.

By:


RAMONTITO E. GARCIA
Principal Executive Officer


ARLO A.G. SARMIENTO
Principal Operating Officer


MINUEL CARMELA N. FRANCO
Principal Finance Officer


MARIA VICTORIA E. SEMBRANO
Principal Accounting Officer

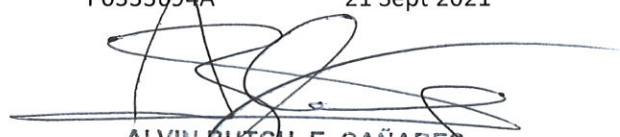

JOAN A. GIDUQUIO-BARON
Assistant Corporate Secretary

Republic of the Philippines)
City of Cebu)S.S.

SUBSCRIBED AND SWORN to before me this **APR 13 2021** affiants exhibiting to me their Drivers' License or Passport details as follows:

Names	Passport Number	Expiry Date
Ramontito E. Garcia	P4784127B	11 Feb 2030
Arlo G. Sarmiento	P6592337A	27 Mar 2028
Minuel Carmela N. Franco	P2168178A	5 Mar 2022
Maria Victoria E. Sembrano	P4254944A	03 Sept 2022
Joan A. Giduquio-Baron	P0333694A	21 Sept 2021

Doc. No. 42;
Page No. 61;
Book No. 10;
Series of 2021.


ALVIN BUTCH E. CAÑARES
Notary Public for the City of Cebu
Until December 31, 2020 per Commission No. 11-07
3rd Floor, 45 Capitol West Bldg. cor. N. Escario &
Don Gil Garcia Sts., Brgy. Capitol Site, Cebu City
Atty. Roll No. 38629/MCLE VI No.0016204; 01/03/19
IBP No. 22301-12/21/18m (for 2019) - Cebu City
PTR No. 1659763 - 12/27/2018 (for 2019) - Cebu City