MERALCO

PRESS RELEASE

LOWER MERALCO RATES THIS AUGUST

ERC-approved refund offsets increase in other pass-through costs

MANILA, PHILIPPINES, 10 AUGUST 2026—The Manila Electric Company (Meralco) announced today a decrease of P0.0428 per kWh in the August electricity rate, bringing down the overall rate for a typical household to P14.7833 from P14.8261 per kWh in July.

“For residential customers of Meralco who are consuming 200 kWh, this adjustment translates to a reduction of around P9 in the total electricity bill,” Meralco Vice President and Head of Corporate Communications Joe R. Zaldarriaga said.

ERC-approved refund offset increase in other bill components

This month’s overall electricity rate reduction is largely due to the P9.5 billion refund – equivalent to P0.5861 per kWh for residential customers – that the Energy Regulatory Commission (ERC) authorized Meralco to implement over a six-month period beginning this August.

The latest refund covers the difference between Meralco’s Actual Weighted Average Tariff (AWAT) and its approved distribution tariff for the period January to December 2025. Customers will see this refund as “AWAT Refund/(Collect) 2” in the distribution portion of their bills starting this month. This refund is on top of the ongoing refund of P0.4278 per kWh that also pertains Meralco’s AWAT for residential customers.

“As earlier explained by the regulator, this refund stems from the delay in rate reset process of distribution utilities in the country that includes Meralco. We submitted the refund application in accordance with the rules. We hope that this will help provide relief to our customers and assure them that this will be implemented in a transparent manner,” Zaldarriaga said.

Pass-through charges increase this month

This month’s rate reduction would have been bigger if not for the upward movement of other bill components, particularly charges from the National Grid Corporation (NGCP) which posted an increase of P0.3024 per kWh due to higher ancillary service charges from the Reserve Market. Costs from the Reserve Market accounted for about 60% of NGCP charges this billing month. Starting this August, the ancillary service charge will appear as a separate line item from the transmission charge, as directed by the ERC.

Taxes and other charges registered a net increase of P0.2113 per kWh. This already includes the ERC-approved P0.1348 per kWh adjustment in the Feed-In Tariff Allowance (FIT-All), as well as a P0.04 per kWh increase in taxes due to First Gas/Prime CoreGen’s greater use of alternative fuel (liquefied natural gas and liquid condensate) that is subject to 12% value-added tax (VAT), due to the unavailability of Malampaya gas, which is VAT-exempt.

The ERC also authorized Meralco to collect its pass-through net under-recoveries amounting to P8.7 billion for the period 2011 to 2022, which the company has already paid in advance to suppliers, NGCP, and the government. The charges covered were for generation, transmission, system loss, lifeline subsidy, senior citizen subsidy, real property tax, and local franchise tax. On average, the adjustment is around P0.08 per kWh with estimated recovery period of 36 months.

Meanwhile, the generation charge this month had a minimal increase of P0.0296 per kWh that was mainly due to higher costs from First Gas/Prime CoreGen that went up by P0.0845 per kWh. These were mitigated by lower costs from the Wholesale Electricity Spot Market (WESM) and Meralco's Power Supply Agreements (PSAs).

- Charges of First Gas/Prime CoreGen increased due to higher fuel costs. Sta. Rita and San Lorenzo plants utilized the more expensive LNG during the maintenance shutdown of the Malampaya natural gas facility. The Malampaya natural gas price also rose significantly after its quarterly repricing, reflecting higher international oil prices from January to June this year.

- On the other hand, charges from the WESM went down by P0.5452 per kWh following lower demand in the Luzon grid; while PSA charges decreased by P0.1079 per kWh, largely due to lower LNG prices.

- First Gas/Prime CoreGen, WESM, and PSAs accounted for 22%, 4%, and 74%, respectively, of Meralco's total energy requirement for the period.

Collection of the P0.0371 per kWh Green Energy Auction Allowance (GEA-All) remains suspended this August as ordered by the ERC.

Pass-through charges for generation, and transmission and ancillary service are paid by Meralco to the power suppliers and the NGCP, respectively; while taxes, universal charges, FIT-All, and GEA-All are all remitted to the government.

Meralco's actual distribution charge, on the other hand, has not moved for a typical residential customer since August 2022.

Meralco crews working 24/7 to restore power to Habagat-hit areas

With monsoon rains continuing to affect parts of Meralco's franchise area, the company assured customers that its crews are working 24/7 to safely restore electricity to customers affected by service interruptions.

"As we closely monitor the situation, we assure our customers that we we are working round-the-clock to restore service to remaining affected customers as soon as possible," Zaldarriaga said. "Likewise, we call on everyone to observe electrical safety measures. Stay away from downed power lines, damaged electrical facilities, and electrical equipment that may have been submerged in floodwaters. Kindly report any hazardous electrical situation to Meralco."

In case of flooding, customers are advised to turn off the main electrical power switch or circuit breaker and ensure that hands are dry when touching electrical appliances and facilities. All electrical wires, connectors, and other wiring devices should also be kept completely dry at all times. If outlets or appliances are drenched, it's best to have a licensed electrician check these before using.

Meralco also advised customers to keep all channels of communication open and ready, and charge mobile phones, laptops, radios, and other communication gadgets.

For customer inquiries and concerns, customers can reach out through the My Meralco app or through Meralco's official social media accounts on Facebook (www.facebook.com/meralco) and X formerly Twitter (@meralco). They may also text their concerns to 0920-9716211 or 0917-5516211 or contact the Meralco Hotline at 16211.#

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About Meralco
Meralco is the largest electric power distribution company and the largest private sector utility in the Philippines. Through a Consolidated Certificate of Public Convenience and Necessity, Meralco provides electric service within its franchise coverage. Its subsidiaries are engaged in engineering and consulting, construction, bills payments and other electricity-related services. A subsidiary is in the process of developing the Company's power generation portfolio.

Meralco is listed on the Philippine Stock Exchange (PSE: MER). Meralco has the largest market capitalization among the Philippine listed utility and power sector companies. Further information is available at www.meralco.com.ph.

Meralco is committed to data protection and privacy. To know more about how the Company protects personal data, please visit https://company.meralco.com.ph/privacy-statement.