

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM)
Validated 2021 Performance Scorecard**

Objective/Measure	Component		Wt.	Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks																																
	Formula				2021	Actual	Rating	Actual	Rating																																		
SO 1	Reduced Financial Obligations (FO)																																										
SM 1	Amount of Net Reduction in FO	Previous Year's FO – Current Year's FO	30%	Actual over Target	₱23.004 Billion (Restated)	₱36.76 Billion	-	₱36.756 Billion	30.00%	<ul style="list-style-type: none"> Reduction in Financial Obligation Reports as of 31 Dec 2020 and 31 Dec 2021 2021 COA Audited Financial Statements (FS) 	<p>PSALM's Total FO is composed of its Debts (A) and IPP Lease Obligations (B).</p> <table border="1"> <thead> <tr> <th rowspan="2">Currency</th> <th colspan="2">P Equivalent</th> </tr> <tr> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td align="center" colspan="3">DEBTS (A)</td> </tr> <tr> <td>JPY</td> <td>17.119</td> <td>17.123</td> </tr> <tr> <td>PHP</td> <td>127.749</td> <td>133.048</td> </tr> <tr> <td>USD</td> <td>123.458</td> <td>108.695</td> </tr> <tr> <td align="center" colspan="3">IPP LEASE OBLIGATIONS (B)</td> </tr> <tr> <td>PHP</td> <td>0.393</td> <td>0.354</td> </tr> <tr> <td>USD</td> <td>113.000</td> <td>85.743</td> </tr> <tr> <td>TOTAL FO</td> <td>381.719</td> <td>344.963</td> </tr> <tr> <td align="center" colspan="2">DECREASE</td> <td>36.756</td> </tr> </tbody> </table> <p>Using the 2020 FOREX rate, PSALM's target is to reduce its FO from ₱381.72 Billion in 2020 to ₱358.72 Billion in 2021 or by ₱23.004 Billion. Based on GCG's evaluation, PSALM reduced its FO by ₱36.756 Billion.</p> <p>The following are the forex rate as of 31 December 2020:</p> <p>1US\$ = ₱48.036 1JP¥ = ₱0.4629</p> <p>*Using 2020 year-end FOREX Rate.</p>	Currency	P Equivalent		2020	2021	DEBTS (A)			JPY	17.119	17.123	PHP	127.749	133.048	USD	123.458	108.695	IPP LEASE OBLIGATIONS (B)			PHP	0.393	0.354	USD	113.000	85.743	TOTAL FO	381.719	344.963	DECREASE		36.756
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	Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating																		
SM 2	Refund of Dividend Income from TRANSCO for Remittance of Dividends to NG/BTr	Σ Actual Collection	5%	Actual over Target	₱1.8 Billion (Estimated)	₱2.45 Billion	-	₱2.45 Billion	5.00%	<ul style="list-style-type: none"> Official Receipt issued by the Bureau of Treasury to PSALM with No. 7063049 dated 25 Nov 2021 Letter from TRANSCO to PSALM re Dividend Collection from TRANSCO's 2020 Net Earnings 	<p>In TRANSCO's letter to PSALM, it was stated that DOF directed TRANSCO to "remit the amount of ₱2,451,344,896 to the [BTr], representing TransCo's dividend from the 2020 net earnings at 75% dividend rate." It was further conveyed that "the funds to support the remittance of the said amount to the [NG] shall be taken from PSALM since TransCo's revenue proceeds from the concession of transmission assets are directly collected by PSALM from the Concessionaire."</p> <p>Based on the submitted Bureau of Treasury Official Receipt No. 7063049 dated 25 November 2021, PSALM remitted ₱2.45 Billion for TRANSCO's 2020 dividends which is equivalent to the amount assessed by the DOF.</p>															
SO 2	Ensured Strong Financial Performance																									
SM 3	Collection Efficiency for Current Power Sales	$\frac{\text{Collections from Current Power Sales}}{\text{Current Power Sales}}$	10%	Actual over Target	90.00%	93.53%	-	93.53%	10.00%	<ul style="list-style-type: none"> Collection Efficiency Report – Current (as of 31 Dec 2021) Summary of Collection Efficiency Report per Grid for 2021 	<p>The more detailed formula used for CE-current power sales is:</p> <p style="text-align: center;">Collection from current customers + credit memo for power purchase discount (PPD) + Technical credit memos Total power sales + Debit Memo</p> <p>Breakdown of collection per region is as follows (In ₱ Billions):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Grid</th> <th>Coll.</th> <th>Billing</th> </tr> </thead> <tbody> <tr> <td>Luzon</td> <td>1.843</td> <td>1.843</td> </tr> <tr> <td>Vis.</td> <td>2.968</td> <td>2.968</td> </tr> <tr> <td>Mind.</td> <td>8.337</td> <td>9.246</td> </tr> <tr> <td>TOTAL</td> <td>13.148</td> <td>14.057</td> </tr> </tbody> </table> <p>Total unpaid billings for the year amounted to ₱0.909 Billion which pertains to the Mindanao Grid.</p>	Grid	Coll.	Billing	Luzon	1.843	1.843	Vis.	2.968	2.968	Mind.	8.337	9.246	TOTAL	13.148	14.057
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Objective/Measure	Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating																			
SM 4	Amount of Delinquent/ Overdue Accounts Collected																										
SM 4a	Problematic Accounts	Σ Actual Collection	3%	Actual over Target	Submission of Status Report on Initiatives to Reconcile and Collect on Problematic Accounts	-	Submitted Status Report on initiatives to reconcile and collect the problematic accounts as of 31 December 2021	3.00%	<ul style="list-style-type: none"> •Status Report on initiatives to reconcile and collect the problematic accounts as of 31 December 2021 •Collection for Delinquent Overdue Accounts Based on 30 September 2020 Balances for the Year 2021 •Summary of Collections as of the 4th Quarter of 2021 – Overdue (Non-Current) Accounts 	<table border="1"> <thead> <tr> <th colspan="2">(in P Billions)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Power Receivables</td> <td></td> <td>42.12</td> </tr> <tr> <td>Receivables from IPPA</td> <td></td> <td>40.36</td> </tr> <tr> <td>Other Receivables</td> <td></td> <td>10.64</td> </tr> <tr> <td>Total</td> <td></td> <td>93.13</td> </tr> </tbody> </table>	(in P Billions)		Total	Power Receivables		42.12	Receivables from IPPA		40.36	Other Receivables		10.64	Total		93.13		
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SM 4b	Non-Problematic/ Clean Accounts	Σ Actual Collection	5%	Actual over Target	₱0.737 Billion	₱1.353 Billion	₱1.353 Billion	5.00%	<table border="1"> <thead> <tr> <th colspan="2">(in P Billions)</th> <th>Collected</th> </tr> </thead> <tbody> <tr> <td>Power Rec.</td> <td></td> <td>0.498</td> </tr> <tr> <td>Possible RA</td> <td></td> <td>0.120</td> </tr> <tr> <td>IPPA</td> <td></td> <td>0.654</td> </tr> <tr> <td>IEMOP</td> <td></td> <td>0.201</td> </tr> <tr> <td>Total</td> <td></td> <td>1.353</td> </tr> </tbody> </table>	(in P Billions)		Collected	Power Rec.		0.498	Possible RA		0.120	IPPA		0.654	IEMOP		0.201	Total		1.353
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	Formula	Wt.		2021	Actual	Rating	Actual	Rating		
SM 5	Percentage Share of Overhead Expenses to Total Income	(PS+MOOE) – Bad Debts Total Income	5%	Actual over Target	11.10%	4.96% ₱1.475 B ₱29.764 B	-	4.96% ₱1.475 B ₱29.764 B	5.00%	<ul style="list-style-type: none"> Summary Computation of Percentage Share of Overhead Expenses to Total Income for 2021 Statement of Comprehensive Income for 2021 2021 COA Audited FS

Details are as follows:

(In ₱ Billions)

	Projected	Actual
Income	11.78	29.76
Overhead Expenses (Net of Bad Debts)	1.31	1.47
% Share of overhead expenses to total income	11.10%	4.96%

PSALM's projection did not include figures for the gains on sale/disposal of assets. However, the PSALM-reported as well as the GCG-validated accomplishment considered the actual gains on sale/disposal of assets in the computation of the total income to be consistent with previous years' validations.

The validated income is higher than its projection by 153%. Factors for the actual figures include, among others, the upsurge in the average selling rate per kilowatt-hour and greater sales volume of its remaining plants than the previous year's.

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Objective/Measure	Component		Wt.	Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks																					
	Formula	Target 2021			Actual	Rating	Actual	Rating																								
SM 6	EBITDA Margin of Remaining Power Assets	$\frac{\text{EBITDA of Remaining Power Assets}}{\text{Net Utility Revenue}}$	5%	Actual over Target	-2.24% (₱0.6449 B) ₱28.725 B	17.32% ₱6.305 B ₱36.412 B	-	27.81% ₱10.125 B ₱36.412 B	5.00%	<ul style="list-style-type: none"> EBITDA Margin of Remaining Power Plants for 2021 2021 Statement of Comprehensive Income – Power Generation Operating Results by Region as of 31 Dec 2021 2021 COA Audited FS 	<p>Computation is as follows (In ₱ Billion):</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Target</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Power Generation Income</td> <td>(3,971.00)</td> <td>6,909.11</td> </tr> <tr> <td>Add back: Depreciation</td> <td>1,367.10</td> <td>3,216.32</td> </tr> <tr> <td>Amort. of Capital Lease</td> <td>1,959.10</td> <td>-</td> </tr> <tr> <td>EBITDA</td> <td>(644.80)</td> <td>10,125.43</td> </tr> <tr> <td>Net Utility Revenue</td> <td>28,725.00</td> <td>36,411.92</td> </tr> <tr> <td>EBITDA Margin</td> <td>(2.24%)</td> <td>27.81%</td> </tr> </tbody> </table> <p>The difference between the PSALM reported accomplishment and the validated EBITDA Margin is due to PSALM's exclusion of <i>other income and expenses</i>. Such <i>other income and expenses</i> should form part of EBITDA on Operating Power Assets because it is included in computing for Income from Power Generation and contain items related to PSALM's operating power assets.</p>	Particulars	Target	Actual	Power Generation Income	(3,971.00)	6,909.11	Add back: Depreciation	1,367.10	3,216.32	Amort. of Capital Lease	1,959.10	-	EBITDA	(644.80)	10,125.43	Net Utility Revenue	28,725.00	36,411.92	EBITDA Margin	(2.24%)	27.81%
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EBITDA Margin	(2.24%)	27.81%																														
SM 7	Universal Charge (UC) Remittance Efficiency of CEs	$\frac{\Sigma \text{ UC Actual Remittance}}{\Sigma \text{ Total UC Collection}}$	7%	Actual over Target	98%	98.28%	-	98.28%	7.00%	<ul style="list-style-type: none"> Percentage of Remittance to PSALM Over UC Collected by Collecting Entities as of 31 December 2021 	<p>(In ₱ Millions)</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Total Remittance</td> <td>17,935.24</td> </tr> <tr> <td>Total Collections</td> <td>18,248.44</td> </tr> <tr> <td>Remittance Efficiency</td> <td>98.28%</td> </tr> </tbody> </table>	Particulars	Amount	Total Remittance	17,935.24	Total Collections	18,248.44	Remittance Efficiency	98.28%													
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	Formula	2021			Actual	Rating	Actual	Rating															
SM 8	Percentage of UC-ME Disbursed to NPC and RE Developers	$\frac{\Sigma \text{ UC Actual Disbursement}}{\Sigma \text{ Total UC Remittance}}$	5%	Actual over Target	100%	100.00%	-	100%	5.00%	<ul style="list-style-type: none"> Report on Percentage of UC-ME to NPC SPUG & RE Developers Report on UC-Me Remittance and Disbursements for 2021 REDCI Remittance and Disbursements for 2021 Statement of UC Fund as of 31 Dec 2021 	<p>PSALM posted a 100% UC-ME disbursement rate to NPC and RE developers.</p> <p>(A = Total Disbursements, B = Funds available for disbursement/Total RE Claims)</p> <p><i>(In ₹ Millions)</i></p> <table border="1"> <thead> <tr> <th></th> <th>A</th> <th>B</th> <th>A/B</th> </tr> </thead> <tbody> <tr> <td>NPC</td> <td>13.899</td> <td>13.899</td> <td>100%</td> </tr> <tr> <td>RE Developers</td> <td>32.105</td> <td>32.105</td> <td>100%</td> </tr> </tbody> </table>		A	B	A/B	NPC	13.899	13.899	100%	RE Developers	32.105	32.105	100%
	A	B	A/B																				
NPC	13.899	13.899	100%																				
RE Developers	32.105	32.105	100%																				
Sub-total			75%				-		75.00%														
SO 3	Implemented Fair and Transparent Privatization Program																						
SM 9	No. of Power Assets Successfully Privatized	Actual Accomplishment	5%	All or Nothing	650 MW Malaya Thermal Power Plant	650 MW Malaya Thermal Power Plant	-	650 MW Malaya Thermal Power Plant	5.00%	<ul style="list-style-type: none"> Official Receipt (OR) No. 000026150 dated 25 Aug 2021 issued to Belgrove Power Corporation Deed of Absolute Sale (DOAS) dated 25 Aug 2021 Letter from PSALM to Belgrove on the Turnover of Owner's Duplicate Copy of Transfer Certificate of Title dated 13 Sep 2021 	<p>PSALM reported that the closing and turnover of the Malaya TPP was completed on 25 August 2021. The Official Receipt and DOAS, both dated 25 August 2021, reflects a total purchase price of ₹3,123,500,000.</p>												

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Objective/Measure	Component		Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks																		
	Formula	Wt.		2021	Actual	Rating	Actual	Rating																				
SM 10	No. of Lots Disposed under Strategic Plan	$\frac{\sum \text{Number of lots disposed}}{\sum \text{Target number of lots for disposal}}$	5%	Actual over Target 30 lots 18 lots plus lots not disposed in 2020 (+12)	31 lots	-	30 lots Calaca (3); Malaya (5); Paco-Manila (8); Bataan (14)	5.00%	<ul style="list-style-type: none"> DOAS and ORs of payments for Calaca, Malaya, Paco-Manila, Bataan, Agus 5 Properties Transfer Certificates of Title Secretary's Certificates 	Below is the list of lots disposed with date of receipt of payments: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Property</th> <th>Date of A/O Receipt</th> <th>Lots</th> </tr> </thead> <tbody> <tr> <td>Calaca</td> <td>06-Dec-21</td> <td>3</td> </tr> <tr> <td>Malaya</td> <td>25-Aug-21</td> <td>5</td> </tr> <tr> <td>Paco-Manila</td> <td>11-Oct-21</td> <td>8</td> </tr> <tr> <td>Bataan</td> <td>09-Dec-21</td> <td>14</td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>30</td> </tr> </tbody> </table>	Property	Date of A/O Receipt	Lots	Calaca	06-Dec-21	3	Malaya	25-Aug-21	5	Paco-Manila	11-Oct-21	8	Bataan	09-Dec-21	14	TOTAL		30
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TOTAL		30																										
SO 4 Improved Customers' Relation and Service Delivery																												
SM 11	Percentage of Satisfied Customers	$\frac{\text{Total number of Satisfied Respondents}}{\text{Total number of Respondents}}$	5%	Actual over Target 90% Satisfied Customers <i>0% = if less than 80%</i>	87.30% Satisfied Customers	-	87.30% Satisfied Customers	4.85%	<ul style="list-style-type: none"> Conduct of the 2021 Customer Satisfaction Survey for the Power Sector Assets and Liabilities Management Corporation – Final Report & Supplemental Report Ten (10) Sample Accomplished Questionnaires Data Quality Control Report (Fieldwork Progress Supervision, and Spot Checking Report, Inception Report, Observation and Clearing Debriefing Report, Pre-Test Report, and Training Manual) 	110 out of 126 respondents (87.30%) gave PSALM at least a Satisfactory Rating.																		
Sub-total		15%				-		14.85%																				

STAKEHOLDER

	Component				Target	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating		
INTERNAL PROCESS	SO 5	Adopted Effective and Efficient Financial Management Systems and Operational Standards									
	SM 12	Compliance to Quality Standards	Actual Accomplishment	5%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	-	Surveillance Audit Passed	5.00%	<ul style="list-style-type: none"> Attestation dated 25 Oct 2021 issued by SOCOTEC Certification Philippines, Inc. <p>PSALM passed the second annual surveillance audit conducted by SOCOTEC Certification Philippines, Inc. on 28 September 2021. The scope of the certification is the "Privatization of Assets, Management of Assets and Liabilities, and Administration of Universal Charge, including Support Services."</p> <p>PSALM's ISO Certificate is valid until 03 December 2022.</p>
	Sub-total			5%				-		5.00%	
LEARNING AND GROWTH	SO 6	Enhanced Competency and Skills of Employees									
	SM 13	Percentage of Employees with Required Competencies Met	$\frac{\Sigma \text{ Employees with required competencies met}}{\Sigma \text{ Total No. of Employees}}$	5%	All or Nothing*	Increase from 2020 actual competency level	96.20%	-	96.20%	5.00%	<ul style="list-style-type: none"> Competency-Based Human Resource Framework Position and Person Profiling Individual Rating Sheets <p>PSALM reported a competency level of 96.20% (76 out of 79 re-assessed employees) or an increase of 0.55% from the 2020 competency level (95.65%).</p> <p>As of 31 December 2021, PSALM's total plantilla personnel was 103. Twenty-four (24) personnel were exempted from the 2021 assessment.</p>
	Sub-total			5%				-		5.00%	
TOTAL			100%				-		99.85%		

* Corrected from "Actual over Target."