

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM)
Validated 2020 Performance Scorecard**

Component					Target 2020	Submission		GCG Validation		Supporting Documents	Remarks																																
Objective/Measure	Formula	Wt.	Rating System	Actual		Rating	Actual	Rating																																			
FINANCE	SO 1	Reduced Financial Obligation (FO)																																									
	SM 1	Amount of Net Reduction in FO	Previous Year's FO - Current Year's FO	30.00%	Actual over Target	₱10.184 Billion	₱ 26.961 Billion	30.00%	₱ 26.961 Billion	30.00%	<ul style="list-style-type: none"> Reduction in Financial Obligation Reports as of 31 Dec 2019 and 31 Dec 2020 2020 COA Audited Financial Statements 	<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">₱ Equivalent</th> </tr> <tr> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td colspan="3">DEBTS (A)</td> </tr> <tr> <td>JPY</td> <td>28.567</td> <td>17.119</td> </tr> <tr> <td>PHP</td> <td>106.034</td> <td>127.749</td> </tr> <tr> <td>USD</td> <td>138.785</td> <td>130.418</td> </tr> <tr> <td colspan="3">IPP LEASE OBLIGATIONS (B)</td> </tr> <tr> <td>PHP</td> <td>0.432</td> <td>0.393</td> </tr> <tr> <td>USD</td> <td>148.193</td> <td>119.371</td> </tr> <tr> <td>TOTAL FO</td> <td>422.011</td> <td>395.050</td> </tr> <tr> <td align="center" colspan="2">DECREASE</td> <td>26.961</td> </tr> </tbody> </table> <p>Using the 2019 FOREX rate, PSALM's target is to reduce its FO from ₱422.011 Billion in 2019 to ₱411.827 Billion in 2020 or by ₱10.184 Billion. Based on GCG's evaluation, PSALM reduced its FO by ₱26.961 Billion.</p> <p>The following are the forex rate as of 31 December 2019: 1US\$ = ₱50.744 1JPY = ₱0.4629</p> <p>* Using 2019 year-end FOREX Rate.</p>	Currency	₱ Equivalent		2019	2020	DEBTS (A)			JPY	28.567	17.119	PHP	106.034	127.749	USD	138.785	130.418	IPP LEASE OBLIGATIONS (B)			PHP	0.432	0.393	USD	148.193	119.371	TOTAL FO	422.011	395.050	DECREASE	
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SO 2	Ensured Strong Financial Performance																									
SM 2	Collection Efficiency for Current Power Sales	Collections from Current Power Sales Current Power Sales	10.00%	Actual over Target	93.00%	93.94%	10.00%	93.94%	10.00%	<ul style="list-style-type: none"> Collection Efficiency Report – Current (as of 31 Dec 2020) Summary of Collection Efficiency Report per Grid for 2020 	<p>The more detailed formula used for CE-current power sales is:</p> <p>Collection from current customers + credit memo for power purchase discount (PPD) + <u>Technical credit memos</u> Total power sales + Debit Memo</p> <p>Breakdown of collection per region as follows (<i>In ₱ Billions</i>):</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Coll.</th> <th>Billing</th> </tr> </thead> <tbody> <tr> <td>Luzon</td> <td>0.786</td> <td>0.786</td> </tr> <tr> <td>Vis.</td> <td>4.826</td> <td>4.826</td> </tr> <tr> <td>Mind.</td> <td>7.283</td> <td>8.115</td> </tr> <tr> <td>TOTAL</td> <td>12.895</td> <td>13.727</td> </tr> </tbody> </table> <p>Total unpaid billings for the year amounted to ₱0.832 Billion, which largely comes from Mindanao region.</p>	Region	Coll.	Billing	Luzon	0.786	0.786	Vis.	4.826	4.826	Mind.	7.283	8.115	TOTAL	12.895	13.727
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SM 3	Amount of Delinquent/Overdue Accounts Collected	∑ Actual Collection	10.00%	Actual over Target	₱ 0.945 Billion	₱ 2.607 Billion	15.00%	₱ 2.607 Billion	10.00%	<ul style="list-style-type: none"> Report on Collection of Delinquent /Overdue Accounts for CY 2020 Summary of Collections as of 31 Dec 2020 Overdue (Non-current) Accounts List of Power Customers (PCs) with Legal Cases, Closed/ Dormant PCs, PCs with unsettled DWS, Delinquent PCs, and PCs with Disputed Accounts w/o Case as of 31 Dec 2020 	<p>Allocated weight for the measure retained at 10%.</p> <table border="1"> <thead> <tr> <th>(In ₱ Billions)</th> <th>Collected</th> </tr> </thead> <tbody> <tr> <td>Power Receivables</td> <td>0.971</td> </tr> <tr> <td>IPPA</td> <td>1.443</td> </tr> <tr> <td>Other Receivables</td> <td>0.193</td> </tr> <tr> <td>TOTAL</td> <td>2.607</td> </tr> </tbody> </table>	(In ₱ Billions)	Collected	Power Receivables	0.971	IPPA	1.443	Other Receivables	0.193	TOTAL	2.607					
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FINANCE	SM 4	Percentage Share of Overhead Expenses to Total Income	(PS+MOOE) – Bad Debts Total Income	5.00%	Actual over Target	14.00%	9.11%	5.00%	12.51%	5.00%	<ul style="list-style-type: none"> Percentage Share of Overhead Expenses to Total Income for 2020 Statement of Comprehensive Income 2020 COA Audited Financial Statements 	<p>Details are as follows:</p> <p>(In ₱ Billions)</p> <table border="1"> <thead> <tr> <th></th> <th>COB</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>9.05</td> <td>6.87</td> </tr> <tr> <td>Overhead Expenses (Net of Bad Debts)</td> <td>0.78</td> <td>0.86</td> </tr> <tr> <td>% Share of overhead expenses to total income</td> <td>14.00%</td> <td>12.51%</td> </tr> </tbody> </table> <p>2020 Performance Scorecard excludes PSALM's projection Income from the UC-SCC. However, in the actual figures, PSALM recognized income from the UC-SCC amounting to ₱2.56 Billion. As a result, the actual income exceeded its projection. In validating PSALM's accomplishment, the Income from the UC-SCC was excluded to be consistent with the computation of the 2020 approved-target.</p> <p>The validated income, however, is lower than its projection by 24%. Other factors for the actual figures include, among others, the average selling rate per kilowatt-hour and greater generated output than the previous year for the Independent Power Producer (IPP) Administration.</p>		COB	Actual	Income	9.05	6.87	Overhead Expenses (Net of Bad Debts)	0.78	0.86	% Share of overhead expenses to total income	14.00%	12.51%
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FINANCE	SM 5	EBITDA Margin of Operating Power Assets	EBITDA of Remaining Power Assets Net Utility Revenue	(Measure deleted)	Actual over Target	10.21%	-7.39%	8.69%	-	<ul style="list-style-type: none"> EBITDA Margin of Remaining Power Plants for 2020 Operating Results by Region as of 31 Dec 2020 2020 Statement of Comprehensive Income – Power Generation 2020 COA Audited FS 	<p>Measure deleted on recalibration. 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>(246.50)</td> <td>(935.80)</td> </tr> <tr> <td>Add back: Depreciation</td> <td>1,416.30</td> <td>1,140.00</td> </tr> <tr> <td>Amort. of Capacity Fees</td> <td>1,959.10</td> <td>1,959.10</td> </tr> <tr> <td>EBITDA</td> <td>3,128.90</td> <td>2,163.35</td> </tr> <tr> <td>Net Utility Revenue</td> <td>30,644.10</td> <td>24,898.76</td> </tr> <tr> <td>EBITDA Margin</td> <td>10.21%</td> <td>8.69%</td> </tr> </tbody> </table> <p>In its submitted accomplishment, similar in 2019, PSALM excluded other income and expenses from its computation of EBITDA. Such other income and expenses, however, 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 (i.e. interest on power receivables, expenses on decommissioned plants).</p>	Particulars	Target	Actual	Power Generation Income	(246.50)	(935.80)	Add back: Depreciation	1,416.30	1,140.00	Amort. of Capacity Fees	1,959.10	1,959.10	EBITDA	3,128.90	2,163.35	Net Utility Revenue	30,644.10	24,898.76	EBITDA Margin	10.21%	8.69%
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FINANCE	SM 6	Universal Charge (UC) Remittance Efficiency of CEs	$\frac{\Sigma \text{ UC Actual Remittance}}{\Sigma \text{ Total UC Collection}}$	7.00%	Actual over Target	98%	98%	7.00%	98.00%	7.00%	<ul style="list-style-type: none"> Percentage of Remittance to PSALM Over UC Collected by Collecting Entities as of 31 December 2019. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: right;"><i>(In ₱ Millions)</i></th> </tr> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Total Remittance</td> <td style="text-align: right;">₱ 16,688.67</td> </tr> <tr> <td>Total Collections</td> <td style="text-align: right;">17,028.77</td> </tr> <tr> <td>Remittance Efficiency</td> <td style="text-align: right;">98.00%</td> </tr> </tbody> </table>	<i>(In ₱ Millions)</i>		Particulars	Amount	Total Remittance	₱ 16,688.67	Total Collections	17,028.77	Remittance Efficiency	98.00%					
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SM 7	Percentage of UC-ME Disbursed to NPC and RE Developers	$\frac{\Sigma \text{ UC Actual Disbursement}}{\Sigma \text{ Total UC Remittance}}$	8.00%	Actual over Target	100%	100.00%	8.00%	100%	8.00%	<ul style="list-style-type: none"> Report on Percentage of UC-ME NPC SPUG & UC-ME REDCI Disbursements Report on UC-Me Remittance and Disbursements for 2020 REDCI Remittance and Disbursements for 2020 Statement of UC Funds as of 31 Dec 2020 <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> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: right;"><i>(In ₱ Millions)</i></th> </tr> <tr> <th></th> <th>A</th> <th>B</th> <th>A/B</th> </tr> </thead> <tbody> <tr> <td>NPC</td> <td style="text-align: right;">3,543</td> <td style="text-align: right;">3,543</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>RE Developers</td> <td style="text-align: right;">6.886</td> <td style="text-align: right;">6.886</td> <td style="text-align: right;">100%</td> </tr> </tbody> </table>	<i>(In ₱ Millions)</i>					A	B	A/B	NPC	3,543	3,543	100%	RE Developers	6.886	6.886	100%
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	Sub-total		70.00%				75.00%		70.00%																	

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	Objective/Measure	Formula	Wt.	Rating System		Actual	Rating	Actual	Rating																							
STAKEHOLDER	SO 3 Implemented Fair and Transparent Privatization Program																															
	SM 8	No. of Power Assets Successfully Privatized	Actual Accomplishment	0.00%	All or Nothing	797.92 MW Caliraya-Botocan-Kalayaan (CBK) HEPPs	-	0.00%	-	0.00%	<ul style="list-style-type: none"> Summary of Chronology of Events relative to the privatization of Caliraya-Botocan-Kalayaan (CBK) Hydroelectric Power Plants and Casecnan Hydroelectric Power Plants 	CBK HEPPs was not privatized. In 2020, PSALM worked with the Asian Development Bank (ADB) for the conduct of a study on the possible privatization options and structures for the Caliraya-Botocan-Kalayaan (CBK) Hydroelectric Power Plants and the Casecnan HEPP																				
SM 9	No. of Lots Disposed under Strategic Plan	$\frac{\sum \text{Number of lots disposed}}{\sum \text{Target number of lots for disposal}}$	10.00%	Actual over Target	22 lots	10 lots	4.55%	10 lots Agusan (3) Maco (1) Nasipit (1) Loboc (4) Camalaniugan (1)	4.55%	<ul style="list-style-type: none"> Deeds of Absolute Sale and Official Receipts of payments for Agusan, Maco, Nasipit, Loboc, Camalaniugan Properties. Official Receipts Transfer Certificate Title Original Certificate of Title Secretary's Certificates Tax Declaration of Real Property Notice of Award for the Sale of Camalaniugan Property Through Negotiated Sale 	Below is the list of lots disposed with date of receipt of payments: <table border="1" data-bbox="1854 995 2175 1382"> <thead> <tr> <th>Lots</th> <th>Date of A/O Receipt</th> <th>Qty</th> </tr> </thead> <tbody> <tr> <td>Agusan Property</td> <td>23-Nov-20</td> <td>3</td> </tr> <tr> <td>Maco Property</td> <td>30-Oct-20</td> <td>1</td> </tr> <tr> <td>Nasipit Property</td> <td>30-Oct-20</td> <td>1</td> </tr> <tr> <td>Loboc Property</td> <td>10-Feb-21</td> <td>4</td> </tr> <tr> <td>Camalaniugan Property</td> <td>13-Apr-21</td> <td>1</td> </tr> <tr> <td>TOTAL</td> <td></td> <td>10</td> </tr> </tbody> </table>	Lots	Date of A/O Receipt	Qty	Agusan Property	23-Nov-20	3	Maco Property	30-Oct-20	1	Nasipit Property	30-Oct-20	1	Loboc Property	10-Feb-21	4	Camalaniugan Property	13-Apr-21	1	TOTAL		10
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	Objective/Measure	Formula	Wt.	Rating System	Actual		Rating	Actual	Rating			
		SO 4 Improved Customers' Relation and Service Delivery										
STAKEHOLDER	SM 10	Percentage of Satisfied Customers	Total number of Satisfied Respondents / Total number of Respondents	5.00%	Actual over Target 0% = if less than 80%	90% Satisfied Customers	99% Satisfied Customers	5.00%	99% Satisfied Customers	5.00%	<ul style="list-style-type: none"> 2020 PSALM Customer Satisfaction Survey (CSS) Final Report prepared by Market Relevance Corp. (MRC) Ten (10) Sample Accomplished Questionnaires Profile of MRC as the service provider for 2020 CSS Data Quality Control Report (Fieldwork Progress Report, Observation and Debriefing Report, Pre-Test Report, and Training Report) 	78 out of 79 respondents (99%) gave PSALM at least a Satisfactory Rating.
	Sub-total			15.00%				9.55%		9.55%		
		SO 5 Adopted Effective and Efficient Financial Management Systems and Operational Standards										
INTERNAL PROCESS	SM 11	Compliance to Quality Standards	Actual Accomplishment	5.00%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	5.00%	Surveillance Audit Passed	5.00%	<ul style="list-style-type: none"> Attestation dated 21 December 2020 issued by SOCOTEC Certification Philippines Inc. 	PSALM passed the annual surveillance audit conducted on 18 November 2020. The scope of the certification is the "Privatization of Assets, Management of Assets and Liabilities, and Administration of Universal Charge, including Support Services."
	Sub-total			5.00%				5.00%		5.00%		

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LEARNING AND GROWTH	SO 6	Enhanced Competency and Skills of Employees									
	SM 12	Percentage of Employees with Required Competencies Met	$\frac{\Sigma \text{ Employees with required competencies met}}{\Sigma \text{ Total No. of Employees}}$	5.00%	All or Nothing	Increase from 2019 actual competency level	95.65%	5.00%	95.65%	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 95.65% (88 out of 92 re-assessed employees) or an increase of 1.13% from the 2019 competency level.</p> <p>As of 30 Dec 2020, PSALM's total plantilla personnel was 93. One (1) personnel was exempted from the 2020 assessment.</p>
		Sub-total	5.00%					5.00%		5.00%	
		TOTAL DELETED WEIGHTS	100% (5%)					94.55%		89.55%	
	VALIDATED TOTAL	95.00%						<i>89.55 / 95.00 = 94.26%</i>			