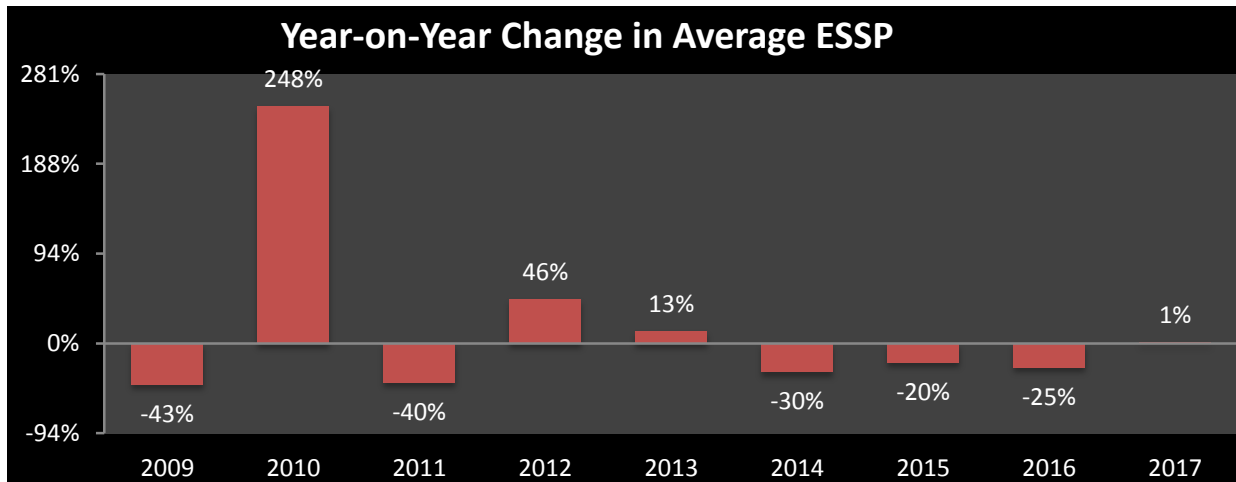
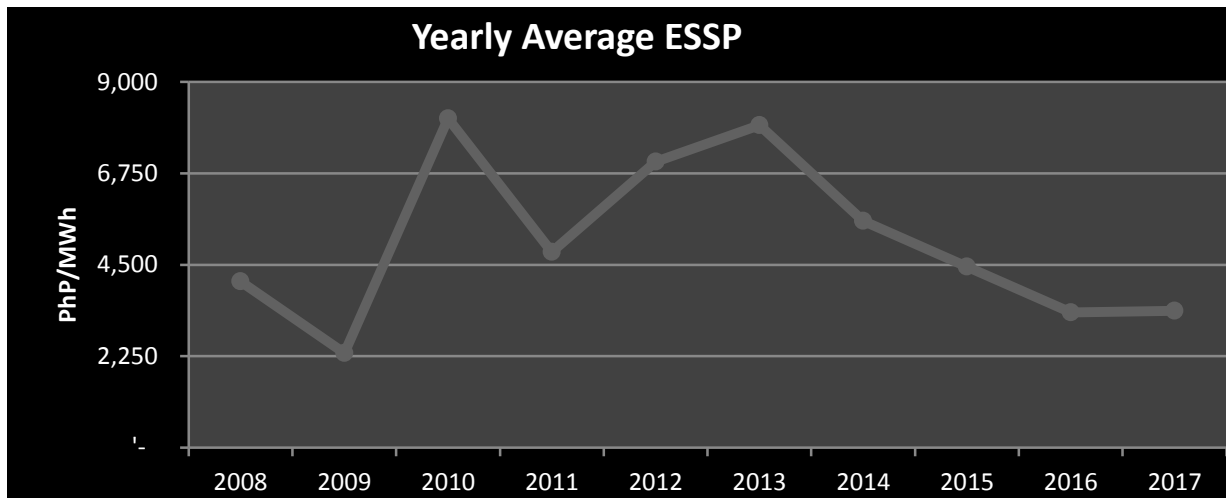


## Customer Effective Spot Settlement Price in the Wholesale Electricity Spot Market (WESM)

26 December 2016 – 25 December 2017

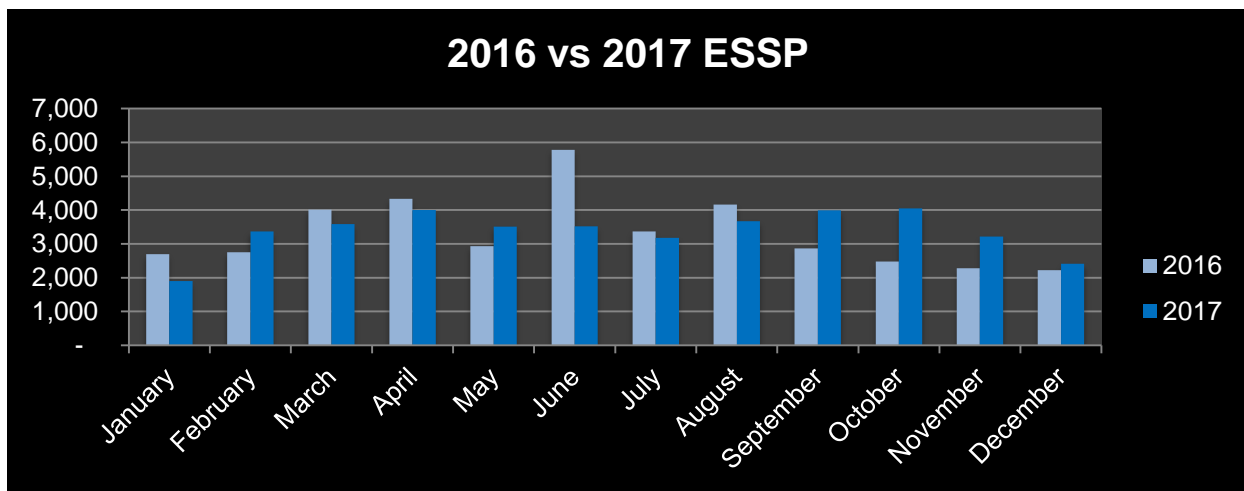
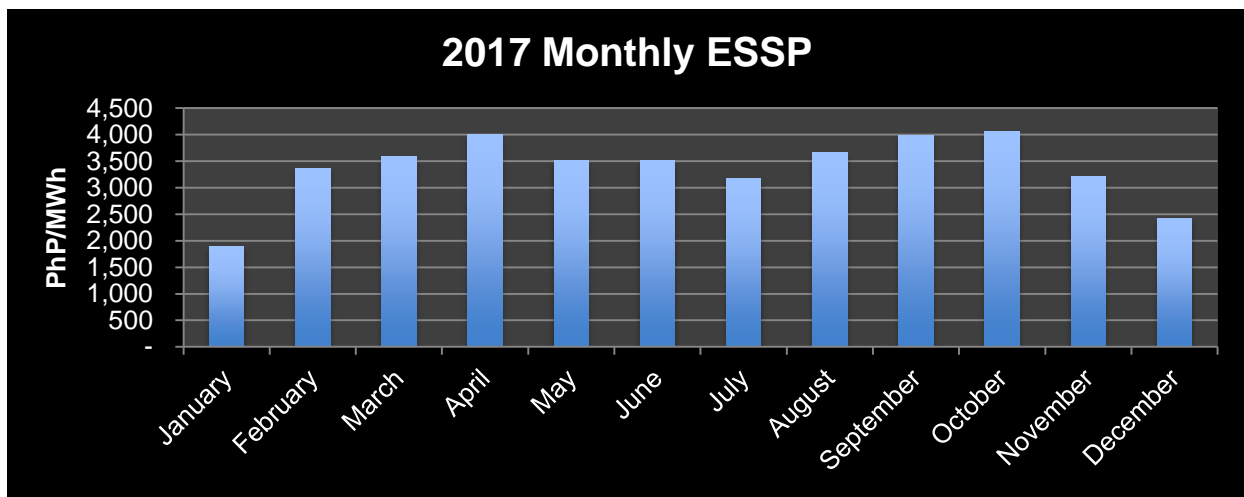
The effective spot settlement price (ESSP) in the WESM for 2017 recorded a 12-month average of PhP3,369.11/MWh, resulting in a 1.30% increase from last year's average of PhP3,326/MWh. Albeit, the 2017 ESSP average registered the second to the lowest ESSP average registered since 2008.



It is worthy to note that the October billing month registered the highest ESSP for the year with PhP4,055/MWh, surpassing the summer months with average ESSP ranging from PhP3,512/MWh to PhP4,008/MWh. The said price level may be attributable to a tight supply margin caused mainly

by the system-wide outage capacity averaging at 2,861 MW during the period.

While outage capacity in Visayas decreased due to the resumption of geothermal power plants affected by the Intensity 5 earthquake in July, there was a high outage capacity in Luzon mainly due to the forced outages of major coal and natural gas power plants.<sup>1</sup> Meanwhile, the resulting November and December 2017 prices showed the expected seasonal low prices with PhP3,214.21/MWh and PhP2,416.87/MWh, respectively. We note, however, that the same resulted to a minimal increase as compared to the 2016 prices.



eyg/07 February 2018

<sup>1</sup> MAG-MMAR-2017-10