

WEEKLY MARKET UPDATE

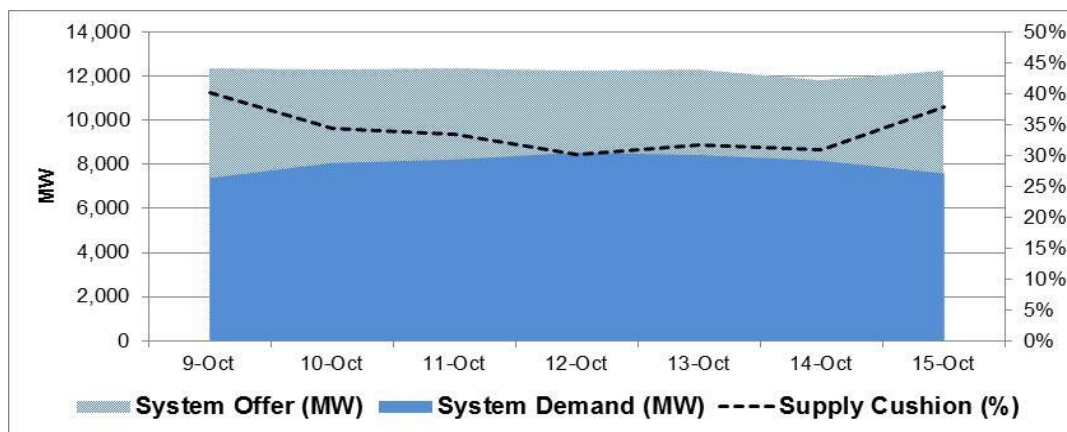
09 - 15 October 2017

I. SYSTEM CONDITION¹

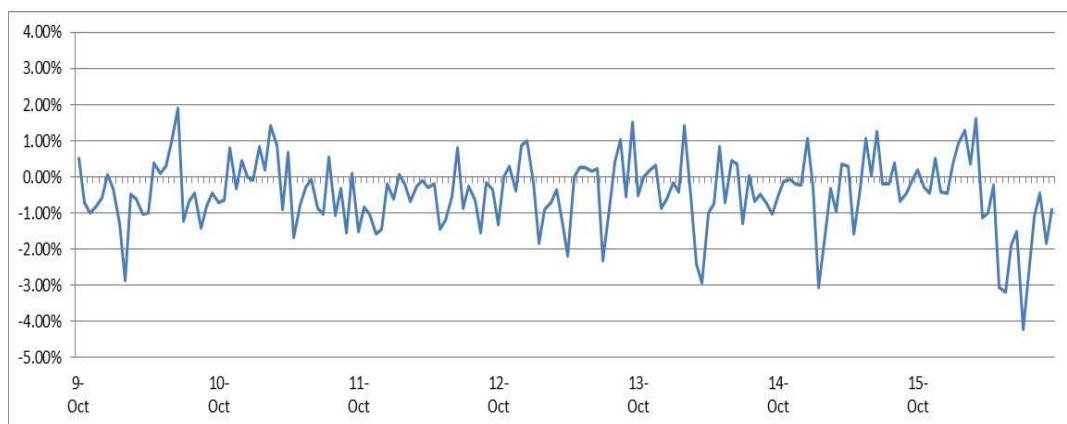
| Condition | Luzon | Visayas |
|--------------|------------------|---------|
| | No. of Intervals | |
| Normal | 168 | 157 |
| Yellow Alert | 0 | 11 |
| Red Alert | 0 | 0 |

II. SUPPLY & DEMAND CONDITION²

A. Supply Cushion



B. Demand Forecast Deviation

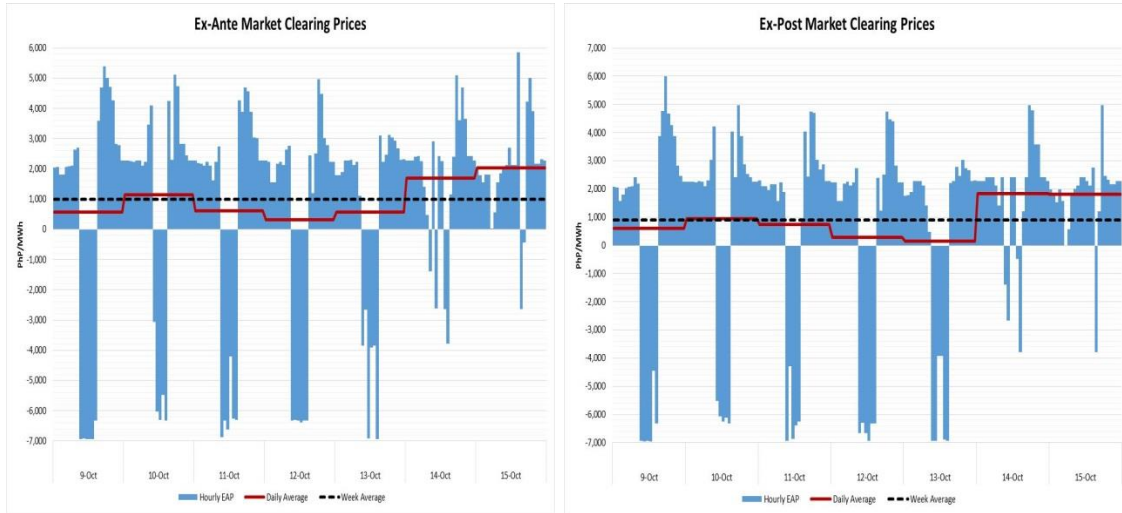


¹ Shows the status of the Luzon and Visayas Grids and the intervals affected by Blue, Yellow or Red Alert, if any;

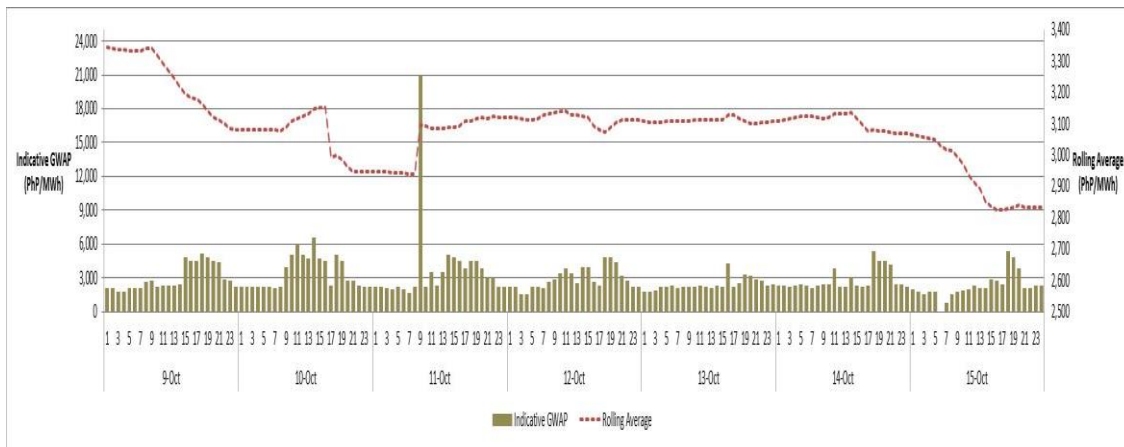
² Shows the following: (i) Supply Cushion showing the ratio of the difference between the total offered quantity and system demand to total offered quantity; and (ii) Demand Forecast Deviation showing the percentage deviation of actual demand from the forecasted demand;

III. PRICE INDICATORS

A. Market Clearing Prices³



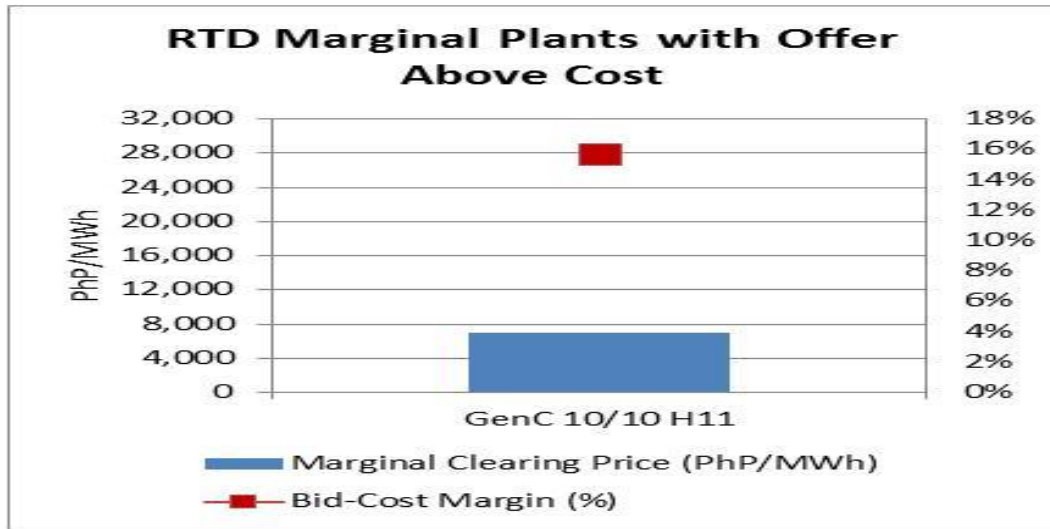
B. Generator Weighted Average Price (GWAP)⁴



³ Market Clearing Prices showing the hourly prices, and the daily and weekly average prices (note that prices are not reflective of market-reruns or price substitution due to pricing error);

⁴GWAP showing hourly indicative GWAP and the seven-day (7) rolling average which is a gauge for the Cumulative Price Threshold (CPT) of PhP9,000/MWh set by the Commission, a breach of the CPT triggers the imposition of the PhP6,245/MWh Secondary Price Cap;

C. Bid Screen



⁵ Shows the Bid-Cost Margin of the Marginal Plants that set the prices for the week, any margin greater than zero percent (0%) shows possible abuse of market power by offering above competitive level/Reference Price. The maximum approved generation rates per technology comprising of the variable and fixed costs shall be used as the Reference Price for the deviation from the competitive level. The upper-bound range of the approved generation rates per technology is used as the conservative reference level to allow a wide tolerance for costing.