

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE FEED-IN
TARIFF ALLOWANCE FOR
CALENDAR YEAR 2026
PURSUANT TO THE
GUIDELINES FOR THE
COLLECTION OF THE FEED-
IN TARIFF ALLOWANCE AND
DISBURSEMENT OF THE
FEED-IN TARIFF
ALLOWANCE FUND, WITH
PRAYER FOR PROVISIONAL
AUTHORITY**

ERC CASE NO. 2025-150 RC

**NATIONAL TRANSMISSION
CORPORATION,**

Applicant.

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Promulgated:
January 05, 2026

DECISION

For resolution before the Commission is the *Application* dated 15 July 2025 filed by the National Transmission Corporation (TransCo) on 31 July 2025, seeking the Commission’s approval of the Feed-in-Tariff Allowance (FIT-ALL) for Calendar Year (CY) 2026, pursuant to the Guidelines for the Collection of the Feed-in Tariff Allowance and Disbursement of the Feed-in Tariff Allowance Fund,¹ with prayer for provisional authority.

FACTUAL ANTECEDENTS

On 27 August 2025, the Commission issued an *Order* and a *Notice of Public/Virtual Hearing*, both dated 22 August 2025, setting the instant case for hearing on the following dates: (a) 18 September 2025 for the determination of compliance with jurisdictional

¹ ERC Resolution No. 24, Series of 2013, entitled, “A Resolution Adopting the Guidelines on the Collection of the Feed-in Tariff Allowance (FIT-All) and the Disbursement of the FIT-All Fund”.

requirements and expository presentation for Luzon Stakeholders; (b) 25 September 2025 for expository presentation for Visayas Stakeholders; (c) 02 October 2025 for expository presentation for Mindanao Stakeholders; (d) 09 October 2025 for Pre-Trial Conference and presentation of evidence; and (e) 16 October 2025 and 23 October 2025 for the continuation of presentation of evidence.

On 11 September 2025, TransCo filed its *Compliance with Jurisdictional Requirements* dated 10 September 2025.

During the 18 September 2025 hearing, TransCo, and intervenors Manila Electric Company (MERALCO), National Grid Corporation of the Philippines (NGCP), Solar Philippines Calatagan Corporation (SPCC) and Hedcor Tudaya, Inc. (HTI) entered their respective appearances. In the said hearing, TransCo presented its compliance with the posting and publication requirements of the Commission. Upon determination that TransCo's submissions are compliant with the jurisdictional requirements, the Commission declared that it acquired jurisdiction over the instant case.²

Various hearings³ were conducted by the Commission and in the course thereof, the Commission admitted MERALCO,⁴ SPCC,⁵ NGCP,⁶ and HTI⁷ as intervenors for the instant case.

During the hearings, the Commission directed TransCo to submit additional documents necessary in the evaluation of the instant *Application*.⁸

On 14 October 2025, TransCo filed its *Formal Offer of Evidence* of even date.

² PSALM presented its *Compliance with Jurisdictional Requirements* dated 10 September 2025, including the publication of the *Notice of Public/Virtual Hearing* in the newspaper issues of *Daily Tribune* dated 29 August 2025 and 05 September 2025, and *Business World* dated 29 August 2025 and 05 September 2025.

³ The hearings were held on 18 September 2025, 25 September 2025, 02 October 2025, and 09 October 2025. The hearings scheduled for 16 October 2025 and 23 October 2025 were cancelled following the termination of the proceedings during the 09 October 2025 hearing.

⁴ MERALCO filed its *Petition to Intervene with Entry of Appearance* dated 10 September 2025, on 12 September 2025.

⁵ SPCC filed its *Petition for Intervention with Entry of Appearance* dated 15 September 2025, on even date.

⁶ NGCP filed its *Petition for Intervention* dated 15 September 2025, on even date.

⁷ HTI filed its *Petition to Intervene* dated 25 September 2025, on even date.

⁸ TransCo submitted its *Compliance* dated 07 October 2025.

On 17 October 2025, Intervenor MERALCO filed a *Manifestation* dated 16 October 2025, that it no longer intends to comment on the *Formal Offer of Evidence* submitted by TransCo.

The Commission found the exhibits contained in the *Formal Offer of Evidence* of TransCo to be relevant and material in the resolution of the case. Thus, the Commission admitted the same and declared the case submitted for resolution.

ISSUE

The issue for the Commission’s resolution is whether the instant *Application* should be approved.

THE COMMISSION’S RULING

After due deliberation, thorough evaluation of all evidence submitted, including the updated information submitted by TransCo after the filing of the instant *Application*, and appreciation of all information gathered, the Commission, pursuant to its regulatory powers, hereby resolves to **APPROVE** the Application **WITH MODIFICATION**.

DISCUSSION

I. DETERMINATION OF THE FIT-ALL RATE FOR 2026

Section 1.3 of the FIT-All Guidelines provides for the formula in computing the FIT-All, *to wit*:

$$FIT-All = \frac{FD + WCA + AA + DA}{FNS}$$

Where:

DESCRIPTION	
FIT-All	is the Feed-in Tariff Allowance to be implemented in Year _{t+1} in PhP/kWh, as provided for in the FIT Rules ⁹ and the Guidelines.
FD	is the estimated Total FIT Differential required for Year _{t+1} in PhP, and as further described in Section 1.4.1 of the Guidelines.

⁹ ERC Resolution No. 16, Series of 2010, entitled “Resolution Adopting the Feed-in Tariff Rules.”

DESCRIPTION	
WCA	is the estimated Working Capital Allowance required for Year _{t+1} in PhP, and as further described in Section 1.4.2 of the Guidelines.
AA	is the Administration Allowance to be implemented in Year _{t+1} in PhP, and as further described in Section 1.4.3 of the Guidelines.
DA	is the Disbursement Allowance to be implemented in Year _{t+1} in PhP, and as further described in Section 1.4.3 of the Guidelines.
FNS	is the Forecast National Sales, in kWh, to be applied for Year _{t+1} and as further described in Section 1.4.4.2 of the Guidelines.
T	is the year the application for setting the FIT-All is filed with the Energy Regulatory Commission (ERC).
t+1	is the year following t.

Based on the foregoing formula, it can be established that the FIT-All rate is the sum of the estimated Total FIT Differential required for a given year, combined with TransCo's estimated Working Capital Allowance (WCA), Administration Allowance (AA), and Disbursement Allowance (DA), over the Forecast National Sales (FNS) which pertains to the estimated total kWh of electricity billed to consumers who are supplied with electricity in all on-grid areas in the Philippines all for the same year.

According to TransCo, it used the same formula above in arriving at its proposed FIT-All rate of PhPo.1488/kWh for CY 2026 in the instant *Application*, to wit:

Table 1. Summary of TransCo’s 2026 FIT-All Computation

COMPONENTS	TOTAL	RATE (PhP/kWh)	SHARE (%)
FIT DIFFERENTIAL	14,914,208,804.19	0.1147	77.04%
2026 Generation	11,881,220,195.38	0.0914	61.38%
2025 Generation	45,066,426.65	0.0003	0.23%
2024 Generation	29,051,208.60	0.0002	0.15%
2023 Generation	(25,207,402.62)	(0.0002)	-0.13%
2022 Generation	(47,325,029.80)	(0.0004)	-0.24%
2021 Generation	413,254,167.22	0.0032	2.13%
2020 Generation	580,156,108.99	0.0045	3.00%
2019 Generation	23,134,573.19	0.0002	0.12%
2018 Generation	151,024,407.78	0.0012	0.78%
2017 Generation	1,118,171.32	0.0000	0.01%
2016 Generation	11,957,337.00	0.0001	0.06%
2014 and 2015 Generation	-	0.0000	0.00%
2025 Under (Over) Recovery	1,850,758,640.49	0.0142	9.56%
WORKING CAPITAL ALLOWANCE	4,426,110,997.90	0.0340	22.86%
ADMINISTRATION ALLOWANCE	15,193,369.60	0.00012	0.08%
DISBURSEMENT ALLOWANCE	2,363,753.93	0.00002	0.01%
Total	19,357,876,925.62	0.1488	
FNS, kWh	130,050,728,819.06		

The above computed 2026 FIT-All rate was computed using the 36-month LWAP following the FIT-All Guidelines. However, TransCo

likewise calculated an alternative FIT-All Rate of Php0.2180/kWh for 2026 using the 12-month average LWAP as follows:

Table 2. Summary of 2026 FIT-All Rate Computation (12-Month Average LWAP)

COMPONENTS	TOTAL	RATE (PhP/kWh)	SHARE (%)
FIT DIFFERENTIAL	22,732,080,362	0.1748	80.47%
2026 Generation	16,757,075,322	0.1289	59.32%
2025 Generation	45,066,427	0.0003	0.16%
2024 Generation	29,051,209	0.0002	0.10%
2023 Generation	(25,207,403)	(0.0002)	-0.09%
2022 Generation	(47,325,030)	(0.0004)	-0.17%
2021 Generation	413,254,167	0.0032	1.46%
2020 Generation	580,156,109	0.0045	2.05%
2019 Generation	23,134,573	0.0002	0.08%
2018 Generation	151,024,408	0.0012	0.53%
2017 Generation	1,118,171	0.0000	0.00%
2016 Generation	11,957,337	0.0001	0.04%
2025 Under (Over) Recovery	4,792,775,072	0.0369	16.97%
WORKING CAPITAL ALLOWANCE	5,598,937,578	0.0431	19.47%
ADMINISTRATION ALLOWANCE	15,193,370	0.00012	0.05%
DISBURSEMENT ALLOWANCE	2,782,620.56	0.00002	0.01%
Total	28,348,993,931	0.2180	
FNS, kWh	130,050,728,819		

The Commission notes that in its *Application*, TransCo has an alternative prayer for such 2026 FIT-All rate as may be found by the Commission to be consistent with the FIT-All Guidelines based on new evidence presented during the trial which was not available at the time of the filing of the *Application*.

Pursuant to the directives by the Commission during the 18 September 2025 and 25 September 2025 expository presentations for Luzon and Visayas stakeholders, and 02 October 2025 for Mindanao Stakeholders, TransCo presented its updated FIT-All Rate Computation as of 02 October 2025, at Php0.1873/kWh:

Table 3. TransCo’s 2026 Updated FIT-All Rate Computation
As of 02 October 2025

COMPONENTS	FIT RE PLANTS	RATE (P/kWh)	SHARE (%)
FIT DIFFERENTIAL	17,347,698,480	0.1481	79.08%
2026 Generation	12,843,291,623	0.1096	58.54%
2025 Generation	112,354,877	0.0010	0.51%
2024 Generation	35,145,501	0.0003	0.16%
2023 Generation	(26,723,337)	(0.0002)	-0.12%
2022 Generation	(50,300,164)	(0.0004)	-0.23%
2021 Generation	47,386,823	0.0030	1.58%
2020 Generation	744,605,510	0.0064	3.39%
2019 Generation	47,560,467	0.0004	0.22%
2018 Generation	158,531,154	0.0014	0.72%
2017 Generation	3,190,155	0.0000	0.01%
2016 Generation	6,800,285	0.0001	0.03%

COMPONENTS	FIT RE PLANTS	RATE (P/kWh)	SHARE (%)
2014 and 2015 Generation	1,765,547	0.0000	0.01%
2024 Under (Over) Recovery	3,124,090,039	0.02671	4.24%
WORKING CAPITAL ALLOWANCE	4,571,925,872	0.03902	0.84%
ADMINISTRATION ALLOWANCE	15,193,370	0.00013	0.07%
DISBURSEMENT ALLOWANCE	2,660,608.24	0.00002	0.01%
Total FNS, kWh	21,937,478,330 117,133,308,208	0.1873	

TransCo also filed its 2026 Catch-up FIT-All rate based on full Department of Energy (DOE) line up, to wit:

FIT-ALL RATE					
Billing Month	Reporting Month	CRR @36 months LWAP, PhP5.71/kWh	CRR @ PhP4.32/kWh	CRR @ PhP4/kWh	CRR @ PhP3/kWh
Jan-26	Mar-26	0.1873	0.2714	0.2911	0.3512
Feb-26	Apr-26	0.1941	0.2859	0.3073	0.3729
Mar-26	May-26	0.2022	0.3032	0.3267	0.3989
Apr-26	Jun-26	0.2122	0.3244	0.3505	0.4307
May-26	Jul-26	0.2246	0.3508	0.3803	0.4705
Jun-26	Aug-26	0.2406	0.3848	0.4185	0.5216
Jul-26	Sep-26	0.2619	0.4302	0.4694	0.5898
Aug-26	Oct-26	0.2917	0.4937	0.5408	0.6852
Sep-26	Nov-26	0.3365	0.5889	0.6478	0.8283
Oct-26	Dec-26	0.4111	0.7477	0.8262	1.0669
Nov-26	Jan-27	0.5603	1.0652	1.1830	1.5439
Dec-26	Feb-27	1.0078	2.0177	2.2532	2.9752
*includes WCA amounting to, in Bn PhP		4.5719	5.9819	6.3100	7.3222

The expository presentation containing the above computations formed part of TransCo’s FOE filed on 14 October 2025.

II. COMPONENTS OF THE
FIT-ALL

Based on the FIT-All Formula, the FIT-All rate has the following components: (1) Forecast National Sales (FNS); (2) FIT-Differential (FD); (3) Working Capital Allowance (WCA); and (4) Administration Allowance (AA); and (5) Disbursement Allowance (DA). These components are discussed in detail hereinafter:

A. Forecast National Sales (FNS)

The FNS is the denominator in the FIT-All formula. Following the FIT-All Guidelines, it should be stated in kWh and to be applied for Year t+1.

Section 1.4.4.2 of the FIT-All Guidelines states that FNS is the estimated total kilowatt-hours of electricity billed to consumers who are supplied with electricity in all On-Grid areas in the Philippines for a given year. The FNS shall be equal to the latest available Electricity Sales as stated in the Philippine Power Statistics, excluding Utilities Own Use and Power Losses, or as otherwise certified by the DOE, and as adjusted by the historical growth rate published for the immediately preceding three (3) years. It shall be computed as follows:

$$\text{FNS} = \text{Net Electricity Sales} \times (1 + \text{Historical Growth Rate})$$

From the historical data provided by DOE covering the years 2021 to 2024,¹⁰ TransCo computed the Compounded Annual Growth Rate (CAGR) of Electricity Sales for a 3-year period using the formula below:

$$\text{CAGR}_{t_o,t_n} = \left(\frac{V_{t_n}}{V_{t_o}} \right)^{\frac{1}{t_n - t_o}} - 1$$

Where:

$$\begin{aligned} V(t_o) &= \text{start value} \\ V(t_n) &= \text{finish value} \\ t_n - t_o &= \text{number of years} \end{aligned}$$

TransCo computed the projected 2026 level by increasing the historical 2025 level using CAGR (2021-2024).

TransCo, in its *Application*, used an FNS level of **130,050,728,819.06 kWh**.

The 2024 FNS data used by TransCo in its *Application*, which was provided by DOE, was a preliminary data only. Thus, in its updated computation as of 02 October 2025, TransCo used the 2024 data published at the DOE website as of 15 June 2025 to project the 2026 FNS.

The Commission, in the determination of the FNS, used the on-grid actual electricity sales for the years 2021 to 2024 based

¹⁰ Annexes “A” to “A-3” of the *Application*: DOE transmittal email dated April 14, 2025 and DOE letter dated April 11, 2025 with attached (i) Actual 2021 to 2023 Electricity Sales and Power Consumption Data (in kWh) and (ii) 2024 Preliminary Data and 2025-2026 Forecast Data for Electricity Sales and Power Consumption Data (in kWh).

on the data published on the DOE’s website and then used the CAGR formula in computing the 2026 FNS, which yielded the 2026 FNS of **117,133,308,207.90 kWh**, the same as the assumption used by TransCo, to wit:

Table 4. Forecast National Sales (FNS)

Forecast National Sales	TransCo (kWh)	TransCo (Updated Calculation) (kWh)	Commission (kWh)
	130,050,728,819.06	117,133,308,207.90	117,133,308,207.90

B. FIT Differential (FD)

As provided in Section 1.4.1 of the FIT-All Guidelines, FD is represented by the following formula:

$$FD = \left[\sum_x (ForecastREGen_{x,t+1} (ForecastFITRate_{x,t+1} - ForecastCostRecoveryRate_{x,t+1})) \right] + FD_{t-1,(over)/under}$$

Where:

		DESCRIPTION
Forecast RE Gen _{x,t+1}		is the Forecast RE Generation of Eligible RE Plant x (in kWh).
Forecast FIT Rate _{x,t+1}	FIT	is FIT Rate, as degressed (if applicable) and adjusted for local inflation and foreign exchange (FOREX) as forecasted for year _{t+1} , in PhP/kWh, that Eligible RE Plantx is forecasted to receive for each kWh delivered.
Forecast Cost Recovery	Cost	is the applicable Forecast Cost Recovery Rate to be implemented in Year _{t+1} for Eligible RE Plantx, in PhP kWh.
FD _{t-1 (over)/under}		is the variance between the actual FIT Differential for year _{t-1} (Actual FD _{t-1}) and the FIT Differential collected for year _{t-1} (Collected FD _{t-1}). There is over recovery if Collected FD _{t-1} > Actual FD _{t-1} and under recovery if Collected FD _{t-1} is < Actual FD _{t-1} .

TransCo, in the computation of the FD, used the formula and parameters provided in the FIT-All Guidelines, namely: (a) the Forecast Annual Renewable Generation; (b) the Forecast Applicable FIT Rate and Forecast FIT Revenue; (c) the Forecast Cost Recovery Rate (FCRR); and (d) the Under recoveries. Using the said parameters, TransCo used the data summarized in Tables 7 to 12 to determine the FD detailed in Table 16.

1. Forecast Annual Renewable Energy Generation

Section 1.4.4.1 of the FIT-All Guidelines states that the Forecast RE Generation is equivalent to the Forecast RE

Generation of new eligible RE plants, which is equal to its “nameplate rating in kilowatts multiplied by 8,760 hours per year, multiplied by the expected annual capacity factor of the Eligible RE Plant, as approved by the Commission as part of the Eligible RE Plant's application requirements for the issuance of a Certificate of Compliance (COC),” and the Forecast RE Generation of those already in operation for at least one (1) year, equal to the “RE Plant's nameplate rating in kilowatts multiplied by 8,760 hours per year, multiplied by average historical capacity factor for the number of years (or fraction thereof in Commercial Operation). For this purpose, the nameplate ratings shall refer to that specified by the ERC in the COCs issued to these Eligible RE Plants.”

TransCo, in the computation of the Forecast Annual RE Generation, used the most updated list of RE Projects projected to be eligible or already eligible under the FIT System in 2014-2026 and corresponding forecast data as provided by the DOE.¹¹ TransCo likewise tapped its own database containing historical information and the available submissions of RE Developers on actual/forecast generation.¹² Actual billing data invoiced to the FIT-All Fund up to the May 2025 billing period were used also by TransCo, where available.

With the list from DOE providing the best estimate of the timing of entry of Eligible RE Plants, TransCo aimed to provide for the corresponding payout requirements adequately. However, the list does not give preemptive rights to the identified projects to be counted under the final FIT-eligible projects. Neither does it limit the payment of FITs to these projects. Only Eligible RE Generators providing generation to the grid will be paid according to actual generation volume.

For Wind and Solar FIT-eligible RE Developers already billing the FIT-All Fund with an effective Renewable Energy Payment Agreement (REPA), TransCo generally adopted their 2025 to 2027 energy generation forecast submissions.

¹¹ The data used are lifted from the DOE transmittal email dated 21 April 2025 and Letter dated 15 April 2025 and its attachments attached as Annexes “C” to “C-11.”

¹² The 2025 to 2027 energy forecast generation per eligible RE plant are summarized in the “List of FIT-Eligible RE Generation Forecast (in MWh) as of 30 June 2025” with attached RE Developers’ Submissions, attached to TransCo’s Application as Annexes “D” to “D-88”.

For Biomass and Run-of-River (ROR) hydropower plants already billing the FIT-All Fund, TransCo followed the monthly projection provided by the RE developers.

TransCo also used the 2016-2024 historical capacity factors of RE plants to project the 2025-2026 annual generation if the RE plants' submissions and/or the DOE forecast are perceived to be too high compared to the actual levels in 2024. For some biomass and hydropower plants that are projected new entrants where only the annual forecast from DOE were available, TransCo used derived monthly indices from the generation history of biomass and hydropower plants already under the FIT system, by grid, in determining the monthly generation forecast. Incidentally, monthly generation data are useful during the initial year of entry of the plant as they are used to account for the eligible generation which may not be for the full year.

With the extension of the availment of the FIT for undersubscribed capacities, TransCo considered the full line-up in the DOE list for biomass and hydropower plants. However, it is noted that the line-up for hydropower plants is still below full subscription.

TransCo used the following eligible and DOE-projected eligible RE capacities in determining the proposed FIT-All rate:

- a. Solar: 543.63 MW (plants up to 15 32.65 March 2016);
- b. Wind: 393.90 MW [plants that became operational after the Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (RE Law)] and 33 MW (pre-RE Law plants);
- b. Biomass: 257.26 MW (as of February 2025); and
- c. ROR Hydropower: 232.65 MW (plants under the RE Law) plus 75.88 MW (pre-RE Law plants).

For Solar and Biomass plants, TransCo considered capacities beyond the installation targets set by DOE due to the principle of commercial and technical indivisibility of projects.

Based on the foregoing, the applicable forecast annual renewable energy generation of eligible RE plants (GWh) for the years 2012-2023 (lumped), 2024, 2025, 2026 and 2027 (for the determination of WCA) are as follows:

Table 5. TransCo’s Forecast Annual Renewable Energy Generation, GWh

Technology	2012-2023	2024	2025	2026	2027
Biomass	7,635	1,054	1,184	1,230	1,231
Hydropower	4,480	1,042	1,208	1,008	990
Solar	5,388	757	744	763	757
Wind	9,069	881	956	959	956
Total	26,572	3,734	4,092	3,960	3,934

Meanwhile, the Commission computed the FD based on the FIT-Eligible RE plants with FIT-COC as of 30 September 2025. In addition, the Commission also considered seven (7) hydropower plants with nomination from DOE and expected to be delivered in 2026. Thus, the Commission recorded a total capacity of 1,472.10 MW.

Table 6 shows the comparison between the capacities under TransCo’s updated calculation *vis-à-vis* the capacities considered by the Commission:

Table 6. Comparison of Capacities Between TransCo's and the Commission’s Computation (in MW)

Technology	TransCo (MW) DOE List as of March 2025	Commission (MW) (w/ FIT-COC/PAO as of 30 September 2025 and Hydro Plants with Nomination)	Difference (MW)
ROR Hydro	308.53	307.83	0.70
Biomass	257.55	226.75	30.80
Solar	543.63	543.63	-
Wind	426.90	393.90	33.00
Total	1,536.61	1,472.11	64.50

Furthermore, the Commission arrived at the total generation of 3,776,459,524.16 kWh as shown in Table 7.

Table 7 shows the side-by-side comparison of computed generation of TransCo and the Commission, based on forecasted and actual generation, respectively:

Table 7. Summary of Computed Generation for 2026

Technology	TransCo (kWh)	Commission (kWh)
ROR Hydro	1,230,000,000.00	1,254,829,706.97
Biomass	1,008,000,000.00	1,105,676,352.79
Solar	763,000,000.00	763,131,303.12
Wind	959,000,000.00	652,822,161.28
Total	3,960,000,000.00	3,776,459,524.16

2. Forecast Applicable FIT Rate and Forecast FIT Revenue

Forecast Applicable FIT Rate refers to the prevailing ERC-approved and published schedule of rates in Php/kWh for each emerging renewable energy technology, as appropriately degressed if applicable, and adjusted for Consumer Price Index (CPI) and Foreign Exchange (FOREX) Movements, in accordance with Section 2.10 of FIT Rules.

TransCo, in deriving the 2021 Adjusted FIT Rates in its *Application*, adopted the assumptions and manner by which the Commission derived the Adjusted FITs under the ERC Resolution No. 6, Series of 2020,¹³ indexing the CPI and FOREX against 2014 levels, as shown in Table 8 below:

Table 8. TransCo’s Adjusted FIT Rates for 2026, Php/kWh

Technology	Year 1 Entrant (2014-2015)	Year 2 Entrant (2016)	Year 3 Entrant (2017)	Year 4 Entrant (2018)	Year 5 Entrant (2019)	Year 6 Entrant (2020)	Year 7 Entrant (2021)	Year 8 Entrant (2022)	Year 9 Entrant (2023)	Year 10 Entrant (2024)	Year 11 Entrant (2025)
Biomass	8.6428	8.5031	8.2568	7.1586	7.0223	7.0578					
Hydropower	7.7103	7.5767	7.3321	6.7881	6.7223	7.6770	7.5160	7.1941	6.6692	6.6340	6.1670
Bakun Plant						6.4972					
Solar	12.5788	11.1265									
Wind	11.1020	9.4827									
Bangui 1&2	7.7571										

TransCo’s computed Total FIT Revenue appearing in the formula of FD was obtained by multiplying the Eligible RE generation per technology summarized in Table 7 by the corresponding appropriate FIT rates in Table 8. Calculations were made on a per plant basis. For 2027, which is required only for the computation of the WCA, the adjusted FIT rates for 2026 were used for the purpose of assumption. The resulting levels are shown in Table 9:

Table 9. Total FIT Revenue by Technology

Technology	2012-2023	2024	2025	2026	2027
Biomass	50,090	6,692	7,597	9,708	9,717
Hydropower	26,223	6,115	7,137	6,908	6,795
Solar	47,774	6,660	6,552	8,620	8,551
Wind	73,079	7,056	7,782	10,153	10,115
Total	197,166	26,523	29,068	35,389	35,178

¹³ Entitled, “A Resolution Approving the Adjustment to the Feed-In Tariff (FIT)”.

TranCo’s calculations used the FD formula, wherein the total FCRR was subtracted from the corresponding FIT revenue on a per plant basis, yielding the following FD results:

Table 10. TranCo’s Total Forecast Cost Recovery Revenue by Technology, in Mn Pesos

Technology	2012-2023	2024	2025	2026	2027
Biomass	35,873	5,640	5,929	7,394	7,402
Hydropower	23,382	4,879	5,925	5,348	5,278
Solar	25,857	4,082	3,726	4,850	4,805
Wind	34,541	4,083	4,599	5,916	5,899
Total	119,653	18,683	20,180	23,508	23,385

Table 11. TranCo’s FIT Differential, in Mn Pesos

Technology	2012-2023	2024	2025	2026	2027
Biomass	14,217	1,051	1,668	2,314	2,314
Hydropower	2,841	1,236	1,211	1,560	1,517
Solar	21,916	2,578	2,826	3,771	3,745
Wind	38,538	2,974	3,183	4,237	4,215
Total	77,513	7,840	8,888	11,881	11,792

TranCo’s final estimated FD for 2026 in PhP/kWh, inclusive of the effect of the under-recovery for 2024, and the accrued FD for 2014-2025 generation charged to 2026, are as follows:

Table 12. FIT Differential, In Mn PhP

Particulars	TranCo’ Application	Updated Calculation
FIT Differential-2026 Gen	11,881,220,195	12,843,291,623
FIT Differential-2025 Gen	45,066,427	112,354,877
FIT Differential-2024 Gen	29,051,209	35,145,501
FIT Differential-2023 Gen	(25,207,403)	(26,723,337)
FIT Differential-2022 Gen	(47,325,030)	(50,300,164)
FIT Differential-2021 Gen	413,254,167	347,386,823
FIT Differential-2020 Gen	580,156,109	744,605,510
FIT Differential-2019 Gen	23,134,573	47,560,467
FIT Differential-2018 Gen	151,024,408	158,531,154
FIT Differential-2017 Gen	1,118,171	3,190,155
FIT Differential-2016 Gen	11,957,337	6,800,285
FIT Differential-2014 and 2015 Gen	-	1,765,547
2025 Under-recovery	1,850,758,640	3,124,090,039
FIT Differential	14,914,208,803	17,347,698,480

On 26 May 2020, the Commission issued ERC Resolution No. 6, Series of 2020¹⁴ (FIT Adjustment), setting the FIT

¹⁴ Entitled, “A Resolution Approving the Adjustment to the Feed-In Tariff (FIT).”

adjustments for years 2016, 2017, 2018, 2019, and 2020, using 2014 as base year of the CPI and FOREX, with a recovery period of five (5) years.

In its *Letter* dated 19 February 2021, the Commission provided TransCo a clarification and illustration on the schedule of billing and payment for the arrears on the adjusted FIT rates, *to wit*:

Schedule of Billing and Payment for the Arrears on the Adjusted FIT Rates			Schedule of Billing and Payment for the Arrears on the Adjusted FIT Rates		
Generation Period	Billing Schedule	Payment Schedule (5-yr Recovery Period)	Generation Period	Billing Schedule	Payment Schedule (5-yr Recovery Period)
Jan 2016	Dec 2020	Jan 2021	Jan 2019	Dec 2023	Jan 2024
Feb 2016	Jan 2021	Feb 2021	Feb 2019	Jan 2024	Feb 2024
Mar 2016	Feb 2021	Mar 2021	Mar 2019	Feb 2024	Mar 2024
Apr 2016	Mar 2021	Apr 2021	Apr 2019	Mar 2024	Apr 2024
May 2016	Apr 2021	May 2021	May 2019	Apr 2024	May 2024
Jun 2016	May 2021	Jun 2021	Jun 2019	May 2024	Jun 2024
Jul 2016	Jun 2021	Jul 2021	Jul 2019	Jun 2024	Jul 2024
Aug 2016	Jul 2021	Aug 2021	Aug 2019	Jul 2024	Aug 2024
Sep 2016	Aug 2021	Sep 2021	Sep 2019	Aug 2024	Sep 2024
Oct 2016	Sep 2021	Oct 2021	Oct 2019	Sep 2024	Oct 2024
Nov 2016	Oct 2021	Nov 2021	Nov 2019	Oct 2024	Nov 2024
Dec 2016	Nov 2021	Dec 2021	Dec 2019	Nov 2024	Dec 2024
Jan 2017	Dec 2021	Jan 2022	Jan 2020	Dec 2025	Jan 2025
Feb 2017	Jan 2022	Feb 2022	Feb 2020	Jan 2025	Feb 2025
Mar 2017	Feb 2022	Mar 2022	Mar 2020	Feb 2025	Mar 2025
Apr 2017	Mar 2022	Apr 2022	Apr 2020	Mar 2025	Apr 2025
May 2017	Apr 2022	May 2022	May 2020	Apr 2025	May 2025
Jun 2017	May 2022	Jun 2022	Jun 2020	May 2025	Jun 2025
Jul 2017	Jun 2022	Jul 2022	Jul 2020	Jun 2025	Jul 2025
Aug 2017	Jul 2022	Aug 2022	Aug 2020	Jul 2025	Aug 2025
Sep 2017	Aug 2022	Sep 2022	Sep 2020	Aug 2025	Sep 2025
Oct 2017	Sep 2022	Oct 2022	Oct 2020	Sep 2025	Oct 2025
Nov 2017	Oct 2022	Nov 2022	Nov 2020	Oct 2025	Nov 2025
Dec 2017	Nov 2022	Dec 2022	Dec 2020	Nov 2025	Dec 2025
Jan 2018	Dec 2022	Jan 2023			
Feb 2018	Jan 2023	Feb 2023			
Mar 2018	Feb 2023	Mar 2023			
Apr 2018	Mar 2023	Apr 2023			
May 2018	Apr 2023	May 2023			
Jun 2018	May 2023	Jun 2023			
Jul 2018	Jun 2023	Jul 2023			
Aug 2018	Jul 2023	Aug 2023			
Sep 2018	Aug 2023	Sep 2023			
Oct 2018	Sep 2023	Oct 2023			
Nov 2018	Oct 2023	Nov 2023			
Dec 2018	Nov 2023	Dec 2023			

On 26 November 2025, after due deliberation the Commission issued ERC Resolution No. 28, Series of 2025, setting the FIT adjustments for years 2019 to 2025, using 2014 as the base year of the CPI and FOREX, with a recovery period of five (5) years. As such, the Commission, in computing the FIT-All rate for 2026, used the original and adjusted rates, taking into consideration the Commercial Operations Date (COD) of the FIT-Eligible Plants. On this basis, the Commission used the FIT Rates, as shown in Table 13, *to wit*:

Table 13. FIT Rates used by the Commission

FIT Round	2014	2015	2016	2017	2018	2019	2020	2021
Biomass (2014-2015)	6.63	6.63	6.6502	6.8539	7.1097	7.4132	7.6629	7.0655
Biomass (2016)			6.63	6.6502	6.8539	7.1097	7.4132	7.6629
Biomass (2017)				6.5969	6.6170	6.8197	7.0742	7.3761
Biomass (2018)					6.1900	6.2092		
Biomass (2019)						6.1900	6.2092	
Surallah (2020)							6.1900	6.2092
ROR Hydro (2014-2015)	5.9	5.9	5.9218	6.0710	6.2798	6.5392	6.7772	6.1747
ROR Hydro (2016)			5.9	5.9218	6.0710	6.2798	6.5392	6.7772

FIT Round	2014	2015	2016	2017	2018	2019	2020	2021
ROR Hydro (2017)				5.8705	5.8922	6.0406	6.2484	6.5065
ROR Hydro (2018)					5.8705	5.900		
ROR Hydro (2019)						5.8705	5.9030	
ROR Hydro (2020)							6.1110	6.1459
ROR Hydro (2021)								6.1110
ROR Hydro (2022)								
ROR Hydro (2023)								
ROR Hydro (2024)								
ROR Hydro (2025)								
Solar (2014)	9.68	9.68	9.7015	10.0661	10.4788	10.9441	11.2758	10.5513
Solar (2015)		8.69	8.7093	9.0366	9.4071	9.8248	10.1226	9.4722
Solar (2016)			8.6900	8.7093	9.0366	9.4071	9.8248	10.1226
Solar (SACASUN)								
Wind (2014)	8.53	8.53	8.5525	8.8442	9.1905	9.5907	9.8976	9.1940
Wind (2015)		7.4	7.4195	7.6725	7.9730	8.3202	8.5864	7.9760
Bangui (2014)	5.96	5.96	5.9757	6.1795	6.4215	6.7011	6.9156	6.4239
Vivant (2020)							5.6715	6.5148

Moreover, the Commission computed the payment for the arrears for the January 2021 to December 2021 Adjusted FIT Rates applied in 2026 amounting to **PhP2,320,716,415.74**.

3. Forecast Cost Recovery Rate (FCRR)

Section 1.4.1.2 of the FIT-All Guidelines provides the manner by which the Forecast Cost Recovery Rate (FCRR) is forecasted and applied to a particular Eligible RE Plant shall be based on whether or not the Eligible RE Plant operates in a Grid where the Wholesale Electricity Spot Market (WESM) is operational.

Sections 1.4.1.2.1 and 1.4.1.2.2 of the FIT-All Guidelines specifically define the process in both scenarios where WESM is operational and non-operational, *to wit*:

xxx

1.4.1.2.1 Computation of the Applicable Forecast Cost Recovery Rate (FCRR): WESM Operational

Where WESM is operational, the FCRR (in PhP/kWh) expressed as “Forecast Cost Recovery Revenue Rate WESM in year t+1” or FCRRWESM,t+1 for the Eligible RE Plants-WESM shall be equivalent to the average monthly system Ex-ante Load Weighted Average Price (LWAP) of the WESM for the Luzon and Visayas grids for the thirty-six (36) months immediately preceding the filing of the application for the setting of the FIT-All. The average monthly system Ex-ante LWAP shall be computed using a reasonable averaging method acceptable to the Commission.

1.4.1.2.2 Computation of the Applicable Forecast Cost Recovery Rate (FCRR): WESM Non- Operational

Eligible RE Plants where the WESM is non-operational (i.e. Mindanao) shall be treated as follows: the FCRR (in PhP/kWh) to be applied for such eligible RE Pant-Non-WESM with existing RESA with the Host DU, for the nearest twelve (12) months preceding the filing of the application for the setting of the FIT-All. When the WESM becomes operational in Mindanao, all Eligible RE Plants-Non-WESM shall be deemed to be eligible RE Plants-WESM and Section 1.4.1.2.1 shall be applied.

xxx

Considering that the WESM in Mindanao only commenced on 26 January 2023, TransCo set the FCRR for Mindanao using the Load Weighted Average Price (LWAP) for 28 months, based on the data provided by the Independent Electricity Market Operator of the Philippines (IEMOP).

The Commission, on the other hand, used the applicable 18-month LWAP from May 2024 to October 2025 of Php4.4290/kWh, Php5.2922/kWh, and PhP4.3541/kWh for Luzon, Visayas, and Mindanao, respectively. The Commission finds that the use of an 18-month period is a more balanced and representative timeframe for capturing prevailing market conditions.

While the FIT-All Guidelines provide a default 36-month LWAP, applying a three-year period would no longer be reflective of the current situation of the market, particularly given the notable shifts in market rates. A 36-month window risks diluting recent trends with outdated data, thereby underrepresenting the more immediate cost environment that affects RE developers' revenue shortfalls today.

Conversely, a 12-month LWAP was deemed too short and potentially subject to distortions arising from temporary or isolated events, such as planned or unplanned outages, fuel price spikes, or seasonal fluctuations. Such short-term anomalies could cause an unrepresentative deviation in the computed LWAP, which in turn may misalign the FIT-All with the more stable and underlying market conditions.

Table 14 below shows TransCo and the Commission's LWAP averages for Luzon, Visayas, and Mindanao:

Table 14. Average LWAP, PhP/kWh

Area	TransCo's Application (PhP/kWh) (Up to May 2025 BM/36 mos.)	TransCo's Updated Calculation (PhP/kWh) (Up to July 2025 BM/36 mos.)	Commission (PhP/kWh) (May 2024 to October 2025 BM/18 mos.)
Luzon	6.0392	5.7742	4.4290
Visayas	6.7403	6.4847	5.2922
Mindanao (WESM commenced on 26 January 2023)	4.5439	4.4857	4.3541

4. Over/Under-recoveries

Under Section 1.4.1 of the FIT-All Guidelines, there is over-recovery if the collected FD t-1 is greater than the Actual FD t-1; and under-recovery if the collected FD t-1 is less than the Actual FD t-1. Under-recoveries are reflected as a positive number.

In its *Application*, TransCo forecasted the **under-recovery** in the FIT-All Fund by the end of 2025 in the amount of **PhP1,850,758,640.29**.

The Commission, considering that actual payments have already been made up to 06 October 2025, used an over-recovery of **PhP15,823,159.26**, as shown in the Table 15 below:

Table 15. Under-recovery

Over/Under Recovery	TransCo 2025 Forecast (PhP)	Commission (As of 06 October 2025) (PhP)
	1,850,758,640.29	(15,823,159.26)

In addition, TransCo has an estimated unpaid FIT Differential until 31 December 2025 of **PhP5,678,010,974.91** and outstanding interest of **PhP425,984,252.79**, which was due to the delayed or partial payments to RE Developers.

Final FIT Differential (FD) Computation

As previously mentioned, the Commission computed the payment for the arrears on the January 2021 to December 2021 Adjusted FIT Rates applied in 2026 amounting to PhP2,320,716,415.74.

The said amount is added to the FD from RE generation for January 2026 to December 2026 amounting to PhP6,194,479,066.37; back billings from 2016 generation to 2024 generation charged in CY 2025; Under Recovery as of 06 October 2025; and Outstanding Interest payable to RE Developers.

The resulting FD is **Nineteen Billion Thirty-Three Million Eight Hundred Thirty-Two Thousand Ninety-Six Pesos and Five Centavos (PhP19,033,832,096.05).**

Table 16. Commission’s FIT Differential (FD) Computation

FIT Differential (PhP)	
FD	19,033,832,096.05
FIT Differential-2026 Gen	9,442,713,643.54
FIT Differential-2025 Gen	45,066,426.65
FIT Differential-2024 Gen	29,051,208.60
FIT Differential-2023 Gen	(25,207,402.62)
FIT Differential-2022 Gen	(47,325,029.80)
FIT Differential-2021 Gen	413,254,167.22
FIT Differential-2020 Gen	580,156,108.99
FIT Differential-2019 Gen	23,134,573.19
FIT Differential-2018 Gen	151,024,407.78
FIT Differential-2017 Gen	1,118,171.32
FIT Differential-2016 Gen	11,957,337.00
Provision for FIT Rate Adjustment - Arrears (2021 Charged to 2026)	2,320,716,415.74
Estimated Unpaid FD (As of 31 December 2025)	5,678,010,974.91
Outstanding Interest (As of 31 December 2025)	425,984,252.79
Under (Over) Recovery as of 06 October 2025	(15,823,159.26)

C. Working Capital Allowance

Section 2.5 of the FIT Rules states that part of the charge of the FIT – All is collected to serve as a buffer for working capital requirements to address any default or delay in the collection and/or remittance of the FIT-All and/or Actual Cost Recovery Revenue including, but not limited to, the following:

1. Variations between the actual and forecasted (a) RE generation from eligible RE plants resulting from over- and under- generation, (b) Annual National Sales and (c) applicable Forecast Cost Recovery Rates and Actual Cost Recovery Revenues;

2. The timing difference of the collection and billing cycle for the FIT-All and Actual Cost Recovery Revenue; and,
3. Any other collection or payment shortfall.

Section 1.4.2 of the FIT-All Guidelines provides for the determination of the WCA amount as follows:

$$WCA_{t+1} = (\text{Forecast Annual Payout}_{t+2} \times \text{Factor Rate}) - WCA_{\text{Ending Balance } t}$$

From the foregoing, it may be gleaned that an initial Forecast Annual Payout for the year 2027 needs to be determined since it is envisioned that buffer requirements for the following year should be collected and built up during the current year. Hence, aside from the 2025 levels for Forecast Cost Recovery Revenue, FIT Differential, Administration Allowance, and Disbursement Allowance, the 2026 projected levels thereof were also established.

To compute the WCA, the FCRRs used by TransCo for 2027 were set at the same level as 2026. The same holds true for the FIT Rates.

In addition, FIT Differential back-billings for 2019, 2020, 2021, 2022, 2023, 2024, and 2025 generation amounting to PhP4,352,333.85, PhP67,317,299.23, PhP30,689,639.62, PhP(356,793,149.28), PhP(54,094,654.82), PhP26,508,140.65, and PhP9,810,588.03, respectively, are estimated to be billed in 2027 pursuant to Section 4.5 of the Renewable Energy Payment Agreement (REPA).

TransCo's projected Administration Allowance for 2026 was estimated to be PhP15,336,131.66.

Hence, the estimated trustee fee or Disbursement Allowance for 2027 is set at the 2026 level of PhP2,363,753.93 as will be discussed below.

Combining the results and assumptions, the Forecast Annual Payout for 2027 computed by TransCo is as follows:

Table 17. 2027 Forecast Annual Payout, In Mn PhP

Particulars	Amount
Forecast Cost Recovery Revenue	23,385
FIT Differential	11,520
Administration Allowance	15
Disbursement Allowance	2
Forecast Annual Payout	34,922

Pursuant to the Guidelines, the National Renewable Energy Board (NREB) recommended a formula for the Factor Rate in the 2014-2015 FIT-All Application. Using the same formula for this *Application* but with updated inputs, a factor rate of **11.67%**¹⁵ was derived.

Further, the Guidelines define the WCA Ending Balance to be the balance of the WCA component account for the immediately preceding month prior to the month of filing. However, TransCo deemed it best to project the level up to year-end 2025 for a more accurate determination.

For 2025, TransCo projected the WCA to have an ending balance amounting to negative **Php350,963,823.85**.

From the given information, TransCo computed the combined buffer required for 2027, which is equivalent to the 2026 fund requirement multiplied by the Factor Rate, less the WCA ending balance at **PhP4,426,110,997.90**.

In TransCo’s updated calculation, the WCA amounted to **PhP4,571,925,872** using a factor rate of 11.50%.

The Commission computed for a WCA amounting to **PhP4,504,945,083.40** using a factor rate of 14.86%.

Table 18. Working Capital Allowance

	TransCo Application	TransCo Updated Computation	Commission (06 October 2025)
Working Capital Allowance (PhP)	4,426,110,998.90	4,571,925,872	4,504,892,242.34

¹⁵ The document, entitled, “2026 Factor Rate Computation” using the formula recommended by NREB in its Resolution No. 3, series of 2014 is attached TransCo’s Application as **Annex “J,”** to form an integral part thereof.

Factor Rate used %	11.67%	11.50%	14.86%
Ending Balance PhP	(350,963,823.85)	(375,627,617)	-

The Commission’s WCA for CY 2026 is equivalent to the Forecast Annual Payout for the year 2027 multiplied by the Effective Factor Rate, as described below, less the WCA ending balance as of 06 October 2025.

The Effective Factor Rate of 14.86% was calculated using the formula recommended by NREB as reflected in the Commission’s *Decision* under ERC Case No. 2014-109 RC¹⁶ (FIT-All 2014-2015). The Effective Factor Rate is the sum of the Weighted Factor Rates for WESM and non-WESM while the Weighted Factor Rate is a product of the Annual Pay-out to Total Annual Pay-out Ratio and the X-Factor Rate, using collection efficiency as of September 2025.

Table 19 shows the Commission’s computation of the WCA, *to wit*:

Table 19. Commission’s Computed WCA Computation

	CRR WESM	FD, AA, DA
Cost Recovery Revenue, PhP	17,383,284,032.63	
FIT Differential, PhP		19,033,832,096.05
Admin Allowance, PhP		15,137,369.58
Disbursement Allowance, PhP		2,363,753.93
Provision for FIT Rate Adjustments, PhP		2,320,716,415.74
Annual Payout, PhP	17,383,284,032.63	21,372,049,635.29
Total Annual Payout, PhP		38,755,333,667.92
Ratio	44.85%	55.15%
Factor Rate	5.65%	22.34%
Weighted Factor Rate	2.53%	12.32%
Effective Factor Rate		14.86%

Particulars	FIT
Forecast Annual Payout, PhP	30,324,294,315.20
Factor Rate	14.86%
Required WCA	4,504,892,242.34
Less: WCA Ending Balance (As of 06 October 2025)	-
Working Capital Allowance, PhP	4,504,892,242.34

¹⁶ Entitled, “In the Matter of the Application for Approval of the Feed In Tariff Allowance for Calendar Years 2014 and 2015 Pursuant to the Guidelines for the Collection of the Feed-In Tariff Allowance and Disbursement of the Feed-In Tariff Allowance Fund, with Prayer for Provisional Authority”.

D. Administration Allowance (AA)

Section 2.5 of the FIT Rules provides that the FIT-All shall also take into account the Administrator’s administration costs to defray the expenses of the Administrator in connection with the performance of its functions as FIT-All Fund Administrator, i.e., Administration Allowance (AA).

TransCo, in its *Application*, proposed a total of **PhP15,193,369.60** based on CY2026 Board-Approved Corporate Operating Budget of FIT-All Fund Administration Division).

The Commission notes, however, that in TransCo’s Details of 2026 Administration Allowance filed on 08 October 2025 as Exhibit “L-4,” the total amount indicated was **PhP15,137,369.58**.

The Commission, in the evaluation of the AA, initially considered TransCo’s updated Details of CY 2025 Administration Allowance as provided by TransCo under ERC Case No. 2024-095 RC (FIT-All 2025) on 11 November 2025¹⁷, unless otherwise indicated, as reflected in Table 20 below. The updated administration allowance is composed of the FIT-All Fund Administration Division’s actual budget utilization from January 2025 to September 2025 and forecasted amounts from October 2025 to December 2025; and is provided with Certification signed by the manager of TransCo’s Finance Department and previously submitted to the Department of Budget and Management (DBM). Considering this, the Commission computed for an Administration Allowance at **PhP16,039,312.38**, with the following breakdown:

Table-20. Administration Allowance Justification

Particulars	TransCo	Commission	
	2026 (PhP)	2026 (PhP)	Remarks
Personnel Services	10,338,637.56	10,183,134.90	
Salaries and Wages- Regular	6,667,428.00	6,650,148.00	Based on Executive Order (E.O.) No. 150, s. 2021 ¹⁸ and GCG MC

¹⁷ Annex A of TransCo’s Motion for Partial Reconsideration (of the Decision dated October 22, 2025) dated 11 November 2025.
¹⁸ Entitled, “*Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (S. 2016), and for Other Purposes*”.

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Particulars	TransCo	Commission	
	2026 (PhP)	2026 (PhP)	Remarks
			No. CPCS Implementing Guidelines No. 2021-01 ¹⁹ .
Personnel Economic Relief Allowance (PERA)	192,000.00	162,090.91	Based on the Schedule of Benefits approved by DBM and CGC CPCS Circular No. 2021 - 003 ²⁰ .
Representation Allowance (RA)	72,000.00	72,000.00	Based on the Schedule of Benefits approved by DBM and CGC CPCS Circular No. 2021 - 006 ²¹ . As applied.
Transportation Allowance (TA)	72,000.00	72,000.00	
Clothing/Uniform Allowance	56,000.00	42,000.00	Based on the Schedule of Benefits approved by DBM and CGC CPCS Circular No. 2021 - 002 ²² .
Year End Bonus	555,619.00	554,179.00	Based on the Schedule of Benefits approved by DBM and CGC CPCS Circular No. 2021 - 001 ²³ .
Cash Gift	40,000.00	35,000.00	Based on Schedule of Benefits approved by DBM and CGC CPCS Circular No. 2021 - 001
Mid-Year Bonus	555,619.00	505,620.00	Based on the Schedule of Benefits approved by DBM and CGC CPCS Circular No. 2021 - 001.
Other Bonuses and Allowance - Performance Enhancement Incentive (PEI)	64,000.00	35,000.00	Based on CPCS Circular Np. 2021-008.
Retirement and Life Insurance Premiums	800,091.36	798,017.76	Republic Act No. 8291 ²⁴
Pag-IBIG Contributions	19,200.00	16,800.00	HDMF Circular No. 274, dated 07 January 2010 ²⁵
PhilHealth Contributions	166,685.70	166,253.70	Republic Act No. 11223 ²⁶
Employees Compensation Insurance Premiums	9,600.00	8,400.00	Republic Act No. 8291
Provident Welfare Fund Contributions	666,742.80	665,014.80	Sec. 10 RA 9136 (EPIRA Law); Included in the Schedule of Benefits Approved by DBM and rationalized under EO No. 150.
Terminal Leave Benefits (Monetization)	401,651.70	400,610.73	CSC and DBM Joint Circular No. 2-97 ²⁷
Maintenance and Other Operating Expenses (MOOE)	4,399,398.69	4,517,667.58	
Traveling Expenses	801,305.22	706,215.88	
Traveling Expenses-Local	801,305.22	706,215.88	FIT-All Fund Administration Division's (FFAD) budget during the conduct of audit to collection

19

Implementing Guidelines of Executive Order No. 150 S. 2021 ("Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (s. 2016), and For Other Purposes").

20

Grant of Personnel Economic Relief Assistance (PERA).

21

Grant of Representation and Transportation Allowance (RATA).

22

Grant of Uniform/Clothing Allowance (U/CA).

23

Grant of Year-End Bonus and Cash Gift.

24

Entitled, “An Act Amending Presidential Decree No. 1146, as Amended, Expanding and Increasing the Coverage and Benefits of the Government Service Insurance System, Instituting Reforms therein and for Other Purposes”.

25

Revised Guidelines on Pag-IBIG Fund Membership.

26

Entitled, “An Act Instituting Universal Health Care for All Filipinos, Prescribing Reforms in the Health Care System, and Appropriating Funds Therefor”, also known as the “Universal Health Care Act”.

27

Entitled, “Amendatory Rules and Regulations Governing the Monetization of Leave Credits of Government Officials and Employees”.

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Particulars	TransCo	Commission	
	2026 (PhP)	2026 (PhP)	Remarks
			agents, site /plant visit/inspection, and attendance to hearings, meetings, and public consultations in Luzon, Visayas, and Mindanao. Based on actual expenses in CY 2024, as approved for CY 2025.
Training and Scholarship Expenses	28,571.43	21,208.33	
Training Expenses (Training & Education)	28,571.43	8,000.00	Learning and development of FFAD personnel
Supplies and Materials Expenses	90,618.77	83,312.35	
Office Supplies Expenses	71,366.56	137,535.44	Purchase of office supplies
Fuel, Oil & Lubricant Expenses	14,212.82	18,037.93	Fuel of TransCo Vehicle charged to the FFAD for the conduct of audit to Collection Agents, site/plant visit/ inspection, attendance to hearings, meetings, and public consultation, and delivery of documents to Trustee Bank and other agencies in Luzon areas. Prorated based on TransCo's actual utilization from January to September 2025.
Semi-Expandable Machinery and Equipment Expenses	5,039.39	15,810.15	Purchase of non-consumable equipment and materials with acquisition cost of less than PhP15,000.00 Prorated based on TransCo's actual utilization from January to September 2025.
Communication Expenses	110,000.00	110,000.00	
Postage and Courier Services	50,000.00	169,282.79	Courier services for FFAD correspondences and telephone/mobile phone assigned to FFAD and FFAD personnel.
Telephone Expenses	60,000.00		Prorated based on TransCo's actual utilization from January to September 2025.
Professional Services	2,369,665.60	2,369,665.60	
Other Professional Services	2,369,665.60	2,937,832.00	Filing fees of TransCo's FIT-All Rate Application and salaries of four (4) Contract of Service (COS) personnel assigned to FFAD.
Repairs and Maintenance	88,319.82	88,319.82	
Repairs and Maintenance - Machinery Equipment	88,319.82	88,319.82	Cartridge toner/ink and ribbon for printers of the FFAD. As Applied.
Taxes, Insurance Premiums & Other Fees	554,400.00	554,400.00	
Fidelity Bond Premiums	554,400.00	990,000.00	Fidelity Bond of FIT-All signatories and alternate signatories as required by the Commission on Audit; Amount was based on Treasury Circular No. 02-2019 dated 25 April 2019 issued by the Bureau of Treasury.

Particulars	TransCo	Commission	
	2026 (PhP)	2026 (PhP)	Remarks
Others	356,517.85	224,232.82	
Advertising, Promotional and Marketing Expenses	300,000.00	282,944.00	Newspaper publication relative to TransCo's FIT-All Rate Application (Pre-Filing and Notice of Hearing). Based on actual expenses in CY 2024, as approved for CY 2025.
Representation Expenses (Repretation/Entertainment)	20,000.00	30,000.00	Meetings initiated by FFAD within TransCo.
Representation Expenses (Public Relation & Project Acceptance)	20,000.00	56,234.15	Meetings of FFAD with third parties (e.g. RE Developers, Collection Agents, Trustee Bank, ERC, DOE, PEMC, COA and BIR).
Rent/Lease Expenses	16,517.85	16,632.00	Rental of office-based copying machine assigned to FFAD, vehicle rental for the annual Planning Session and for the conduct of audit in Visayas and Mindanao areas wherein TransCo's vehicles are not available. Based on actual expenses in CY 2024, as approved for CY 2025.
Capital Expenditure (CAPEX)	399,333.33	399,333.33	
FIT-All System Development and Implementation (Outsourcing)	399,333.33	399,333.33	Amortized cost relative to the development of FIT-All Management System (FITMS). As Applied.
Total	15,137,369.58	16,039,312.38	

However, the Commission notes that the computed amount is higher than what TransCo applied for. Thus, the Commission used TransCo’s applied amount instead:

Table 21. Administration Allowance

Administration Allowance (PhP)	TransCo	Commission
	15,137,369.58	15,137,369.58

E. Disbursement Allowance

For the Disbursement Allowance, TransCo proposed **PhP2,363,753.93**, which is composed of the fixed fee of PhP720,000.00 paid to the Trustee Land Bank of the Philippines (LBP) – Trust Group in addition to TransCo’s estimates of the variable component, including the Bangko Sentral ng Pilipinas (BSP) Supervision Fee.

The Commission used the same Distribution Allowance amount applied by TransCo.

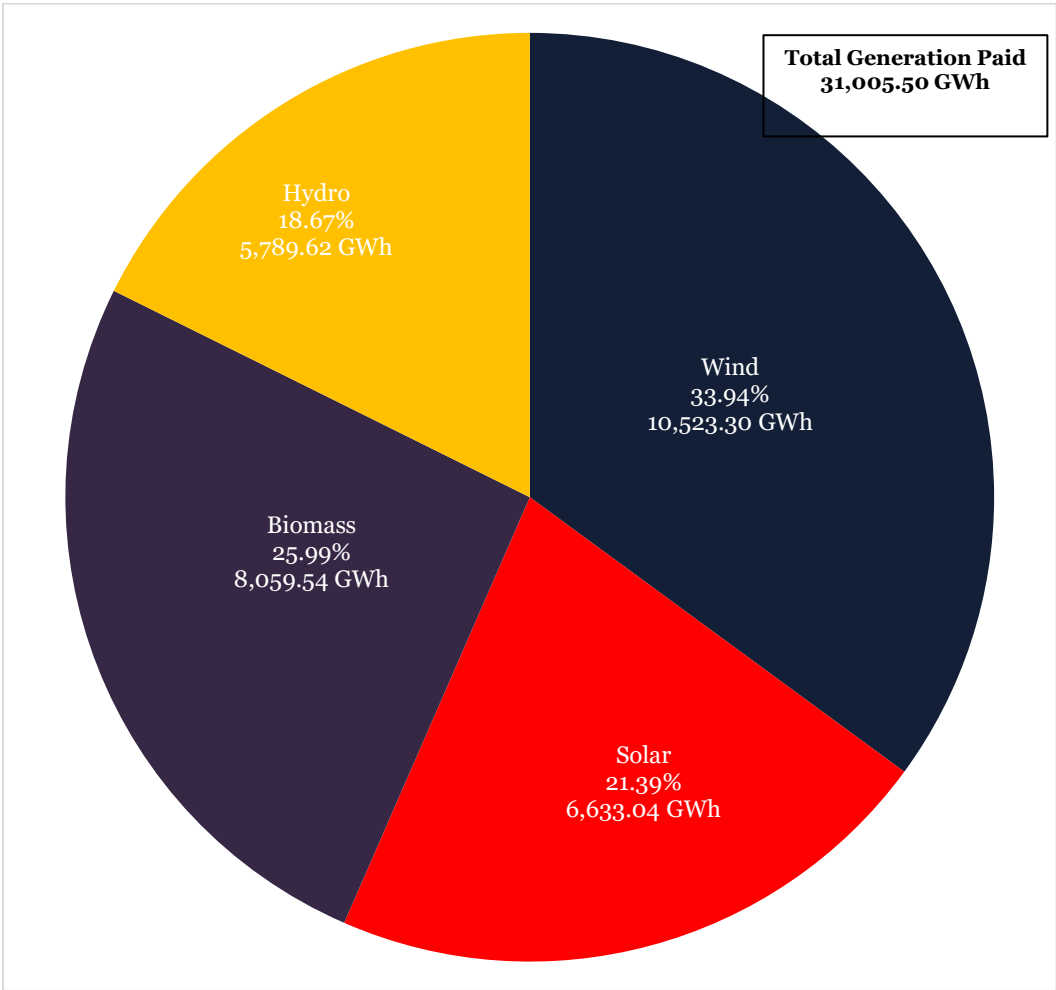
Shown in Table 22 is a comparison of TransCo’s computed Disbursement Allowance and the final amount used by Commission in the FIT-All computation.

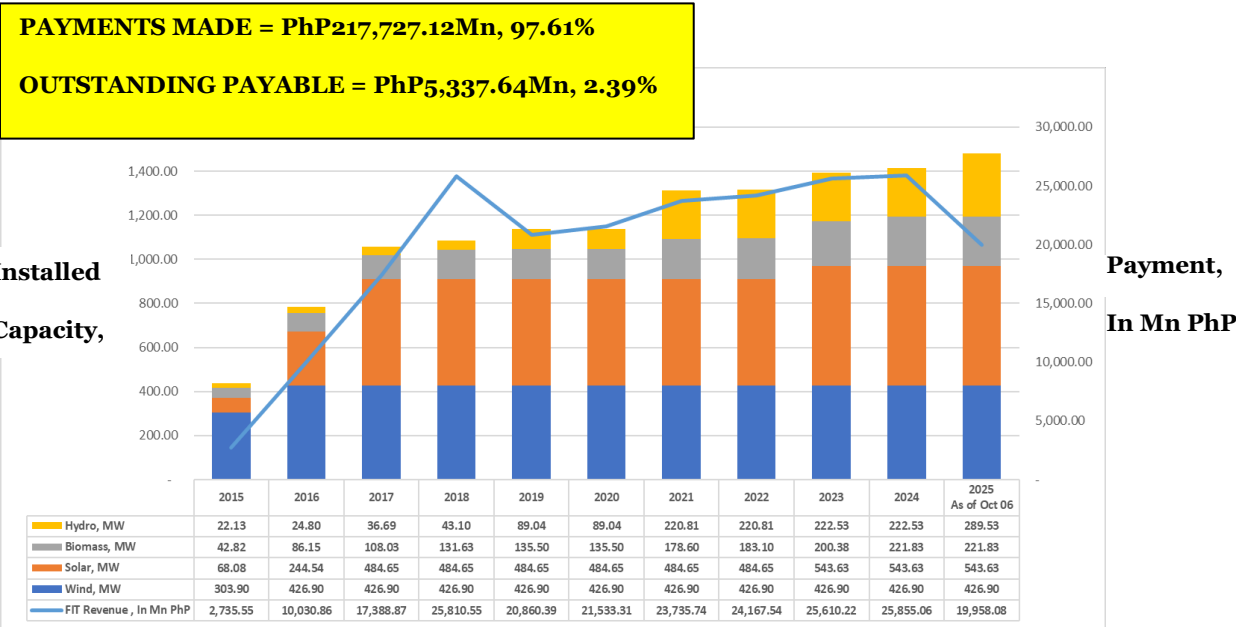
Table 22. Disbursement Allowance

Disbursement Allowance (PhP)	TransCo	Commission
	2,363,753.93	2,363,753.93

III. FIT-All Fund Status

Based on TransCo’s submitted monthly FIT-All Fund Update, as of 06 October 2025, payout to FIT-Eligible RE Plants has already reached a total of **PhP217,727,120,000.00** for a total of 31,005.50 GWh generation paid.





Note: The spike of payment in 2018 is due to the payment of interest charges for the delayed payment of FIT Revenues caused by insufficiency of fund.

In addition, as of 06 October 2025, there is a FIT-All fund balance of **PhP15,823,159.26**.

However, this does not yet include the Interest Payable to RE Developers for delayed or partial payments amounting to **PhP425,984,252.79**, which shall also be included in the FIT-All rate computation.

Moreover, it is estimated that by 31 December 2025, there will be an unpaid FD amounting to **PhP5,678,010,974.91**.

Section 2.2.8 of the FIT-All Guidelines provides that TransCo, the FIT-All Fund Administrator, is required to pay each eligible RE plant the full amount of the Actual FIT Revenue each month through the Trustee. If TransCo fails to promptly and/or fully pay the Actual FIT Revenue to any Eligible RE Plant for any Billing Period, the relevant Eligible RE Plant may charge TransCo, after one Billing Period has passed since the due date of the unpaid Actual FIT Revenue, monthly interest on all amounts that remain unpaid, calculated at a 91-day Treasury bill rate plus 300 basis points until the amounts are paid in full.

IV. Commission’s Computed FIT-All Rate for 2026

Considering the above-mentioned assumptions, the resulting FIT-All rate calculated by the Commission is shown in Table 23:

Table 23. Summary of 2026 FIT-All Computation

Summary of 2026 FIT-All Computation		
Components	Amount (PhP)	Rate (PhP/kWh)
FD	19,033,832,096.05	0.1625
WCA	4,504,892,242.34	0.0385
AA	15,137,369.58	0.0001
DA	2,363,753.93	0.00002
Total	23,557,180,245.75	
FNS, kWh	117,133,308,207.90	
FIT-All, PhP/kWh	0.2011	

WHEREFORE, the *Application* filed by the National Transmission Corporation (TransCo) is hereby **APPROVED WITH MODIFICATION**, subject to the following conditions:

1. TransCo is hereby **AUTHORIZED** to collect a Feed-In Tariff Allowance (FIT-All) equivalent to **PhPo.2011/kWh**, effective January 2026 billing;
2. TransCo, Distribution Utilities (DUs), Retail Electricity Suppliers (RES), Supplier of Last Resort (SOLR), National Grid Corporation of the Philippines (NGCP), and the Independent Electricity Market Operator of the Philippines (IEMOP) are hereby **DIRECTED** to make available their records to the Commission, pertinent to the implementation of the FIT-All as part of a FIT-All audit which shall be undertaken by the Commission immediately;
3. The following entities are hereby **DIRECTED** to collect FIT-All proceeds, and promptly remit, in full, the collections to the FIT-All Fund no later than the 15th day of the month following the end of the relevant Billing Period:
 - 3.1. DUs to collect FIT-All from captive consumers;
 - 3.2. RES and Suppliers of Last Resort (SOLR), to collect FIT-All from retail and Green Energy Option Program (GEOP) customers; and

3.3. NGCP to collect FIT-All from Directly Connected Customers (DCC).

Accordingly, IEMOP is authorize to collect WESM proceeds as Actual Cost Recovery Revenue (ACRR) from WESM participants.

SO ORDERED.

Pasig City.


(On Official Business)
FRANCIS SATURNINO C. JUAN
Chairperson and CEO


FLORESINDA G. BALDO-DIGAL
Commissioner


MARKO ROMEO L. FUENTES
Commissioner


AMANTE A. LIBERATO
Commissioner


PARIS G. REAL
Commissioner


LS: JAB/MVM/MCCG


MOS: PSJ/JCC/SOM

**Deliberated and approved during the 26 November 2025 Commission Meeting.*

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DECISION
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Copy Furnished:

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Davao City
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