

Marubeni to Participate in Smart Grid Business at New Clark City in the Philippines

Marubeni Corporation (hereinafter, “Marubeni”), The Kansai Electric Power Co., Inc. (hereinafter, “Kansai”), Chubu Electric Power Co., Inc. (hereinafter, “Chubu Electric”), and The Manila Electric Company (hereinafter, “MERALCO”), the biggest power distributor in the Philippines, have decided to jointly participate in the smart grid business¹ at New Clark City (hereinafter, “NCC”) in the Philippines.

In the Philippines, Bases Conversion Development Authority (hereinafter, “BCDA”) is currently developing an environmentally-friendly smart city on the vacant land formerly used as Clark US Air Force Base located roughly 120km northwest of Metro Manila². This project will include the design, construction, operation and maintenance of smart grid facilities in the Philippines and will be the first project of its kind to be conducted in the country.

The joint venture company (hereinafter, “JVC”; Equity participation: Marubeni 18%; Kansai 9%; Chubu Electric 9%; MERALCO 54% and BCDA 10%) will begin distributing power to NCC. JVC will extend the smart grid facilities pursuant to the expansion of the NCC and will contribute to its sustainable development.

Marubeni maintains 12GW of net IPP generation assets across 22 countries. Entering into power-related business in the Philippines in the 1960s, Marubeni began participating in the IPP business beginning in the early 1990s. Marubeni maintains 6 power generation facilities and 1,466MW of net power generation capacity in the Philippines, thus accumulating vast knowledge and experience in the IPP business. Marubeni strives to expand the community-based electric power service business in the Philippines by utilizing its own knowledge of the overseas power business, Kansai and Chubu’s knowledge of efficient and stable power supply, which they have cultivated in Japan and MERALCO’s abundant experience in the Philippines’ power distribution business.

- (*1) The Smart Grid Business comprises electricity distribution and the provision of an efficient power supply system through the real-time utilization of accumulated power consumption data collected by smart meters installed in homes, offices, factories etc. in addition to the power distribution business.
- (*2) NCC is a large-scale new city which BCDA is planning to develop on the vacant land of former Clark US Air Force Base (9,450ha). NCC is nominated as one of the national projects whose goal is to seek solutions for issues facing Manila, the capital city of the Philippines, such as traffic jams and high population density. NCC endeavors to offer such solutions by aiming to increase the number of residents of the new city to 1.2 million and create 800,000 employment opportunities by 2065 through the relocation of government facilities, the construction of highways, etc.

<Overview of the Smart Grid Business for NCC in the Philippines>

<p>Overview of the Project</p>	<p>Urban development projects conducted by the BCDA, a government agency under the jurisdiction of the president, at the vacant land formerly used as Clark US Air Force Bases located about 120 km northwest of Metro Manila. Prior to development, BCDA created a master plan for urban development jointly with Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN), a company established under the Ministry of Land, Infrastructure, Transport and Tourism. The environmentally conscious Clark Green City will attract the design, construction, operation and management of such facilities and utilities as power, water supply, gas, ICT, transportation, development of industrial parks & residential commercial facilities, advanced research facilities, universities, and hospitals. The city will be developed in 4 phases in order to make a large-scale city with a population of 1.2 million by 2065.</p> <p>In this project, BCDA will provide the permit & license for the power distribution business and right of way for the installation of substation equipment and distribution networks. Distribution facilities will be gradually improved in accordance with the expansion of urban development.</p>
<p>Concession Period</p>	<p>25 years (2019 - 2044) To be extended for another 25 years subject to confirmation of BCDA</p>

<References>

Company Name : Bases Conversion Development Authority (BCDA)
 Foundation : 1992
 Business : Redevelopment of vacant lands of US military bases
 Major Achievements : Bonifacio Global City,
 Newport City,
 Subic-Clark-Tarlac Expressway (SCTEx)

Company Name : Manila Electric Company (MERALCO)
 Foundation : 1903
 Business : Power Distributor
 Electricity Sales Volume : 42.1million MWh (Fiscal Year 2017)