

ACTIS INVESTS IN WORLD'S LARGEST INTEGRATED RENEWABLES AND ENERGY STORAGE PROJECT IN THE PHILIPPINES¹

- *The Terra Solar Project will provide electricity to circa 2.4 million Philippine households²*
- *The transaction represents the largest foreign direct investment for a greenfield infrastructure project in the Philippines and reflects Actis' focus on enabling a global energy transition*

LONDON, 6 September 2024: Actis, a leading global investor in sustainable infrastructure, has agreed to enter a strategic partnership with Manila Electric Company (Meralco) and its subsidiary, Solar Philippines New Energy Corporation, to invest in the Terra Solar Project, poised to be the world's largest integrated renewables and energy storage project.¹

The transaction represents the largest foreign direct investment for a greenfield infrastructure project in the Philippines and will see Actis bring its rich experience in contracting, building and operating infrastructure assets to the project.

The project, which is strategically located on the Philippines' main island of Luzon, about 100km from Manila, will combine 3.5GWp of solar PV capacity with 4.5GWh of battery energy storage system (BESS). The project covers circa 3,500 hectares or the equivalent to the size of c.83,300 basketball courts – and is backed by a 20-years, 850MW (for 12-hours daily on average) power supply agreement (PSA) with Meralco, the Philippines' largest distribution utility. It will provide electricity to approximately 2.4 million households and avoid carbon emissions by circa 3.6 million tonnes per year by displacing coal.²

The transaction with Solar Philippines New Energy Corporation, which currently owns 100% of the project, was announced at a signing ceremony in Pasig City, Philippines, attended by Torbjorn Caesar, Chairman and Senior Partner at Actis, Manuel V. Pangilinan, Chairman of Meralco, and Emmanuel V. Rubio, CEO of Meralco PowerGen (MGen).

The Philippines is one of the largest economies in Southeast Asia and among the fastest growing across the Asia Pacific region, with GDP growth of circa 6% forecast from 2023-2027.³ The country has an established energy sector, with private companies operating across generation, transmission and distribution. It has also set the ambitious goal of increasing renewable energy generation to 35% of the country's total by 2030.⁴

To support this transition, around 5GW of solar and wind power purchase agreements (PPAs) have been awarded in recent years, with an additional two rounds of auctions of c.12GW expected to follow over the next year. The Terra Solar Project PSA will play a key role in meeting this demand for renewable energy.⁵

The project has strong sustainability credentials, notably because of its impact in decarbonising the Philippines' energy system (SDG7), but also by generating power to support economic development (SDG8), creating more than 10,000 new jobs (SDG8), and facilitating local development (SDGs3+4).

Lucy Heintz, Partner, Head of Energy Infrastructure at Actis, commented: *"The scale of the Terra Solar Project and its capacity to provide clean power is enormous. It's the single biggest such project in the world, visible from space, and Actis' investment in the project marks an exciting moment. As a new investor in the*

¹ When fully commissioned, as measured by battery energy storage capacity

² Based on a typical Philippine household consumption of 200kWh per month, based on estimates

³ [Southeast Asia quarterly economic review: Q1 2024 | McKinsey](#)

⁴ [The-Philippines-2030-Clean-Energy-Target-Is-Still-Within-Reach_June-2021.pdf \(ieefa.org\)](#)

⁵ [Philippine power supplier Meralco tops initial renewables goal \(renewablesnow.com\)](#)

project, Actis will bring its decades' worth of expertise investing in global scale energy generation. We're in the business of building and operationalising world-class energy assets both to accelerate the energy transition and deliver value for our investors. This investment will do that, on a truly significant scale."

Rahul Agrawal, Head of Energy for Southeast Asia at Actis, said: *"Southeast Asia represents some of the most dynamic economies globally and the region's energy transition is picking up speed. The Philippines is showing real purpose on the energy transition and no project represents this more than the Terra Solar Project. It will co-locate solar PV with battery storage on a scale the region hasn't seen before, backed by a sizeable PSA, to deliver a stable renewable power supply to the main grid of Luzon in the Philippines. MGen and its management team's vision for this project is truly exceptional and we are excited about the partnership with MGen to together build this landmark project."*

Manuel V. Pangilinan, Chairman and CEO of Manila Electric Company ("MERALCO"), parent company of MGEN, said: *"Terra Solar is one of the most ambitious renewables projects the world has ever seen. We are looking forward to contributing to the Government's goal to have 35% of the country's energy to come from renewable energy."*

Emmanuel V. Rubio, President and CEO of MGEN and SPNEC, commented: *"We are delighted to be partnering with Actis, a world-class investor of sustainable infrastructure, in this monumental project. We look forward to the combined expertise of Meralco Power Generation, SPNEC and Actis that will bring the Terra Solar project into reality."*

Actis is one of the world's largest energy transition investors⁶. It has committed US\$9 billion to more than 185 projects across 30 platforms in 35 countries through its five energy funds, creating a generation capacity of 36GW of which over half (20GW) comes from renewable sources.

Morgan Stanley acted as financial advisor to Actis. Milbank and Sycip Law acted as international and domestic legal counsel to Actis.

ENDS

About Actis

Actis is a leading global investor in sustainable infrastructure, delivering competitive returns for institutional investors and measurable positive impact for the countries, cities and communities in which it operates. Actis invests in structural themes that support long-term, equitable growth in defensive, critical infrastructure across energy transition, digitalisation transition, and supply chain transformation.

The firm's decades of global experience, operational know-how and strong culture allows it to create global sustainability leaders at scale. Since inception, Actis has raised US\$ 25 billion to invest in a better tomorrow. Actis is a signatory to the Principles for Responsible Investment (PRI), an investor initiative supported by the United Nations.

You can learn more about Actis at www.act.is

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⁶ Campbell Lutyens, Energy Transition Private Infrastructure Focus, June 2024

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