

**IN THE MATTER OF THE PROPOSED
JOINT VENTURE BETWEEN SOLAR
PHILIPPINES NEW ENERGY
CORPORATION AND ACTIS
RUBYRED (SINGAPORE) PTE. LTD.
THROUGH TERRA SOLAR
PHILIPPINES, INC.**

MAO Case No. M-2024-017

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COMMISSION DECISION NO. M-2025-001

This refers to the proposed joint venture between Solar Philippines New Energy Corporation (SPNEC) and Actis Rubyred (Singapore) Pte. Ltd. (Actis) through Terra Solar Philippines, Inc. (Terra Solar) (hereinafter collectively referred to as the Parties). The Parties submit this joint venture (the Transaction) to the Philippine Competition Commission (the Commission) for review.¹

Upon careful review of the existing market conditions, various submissions and representations of the Parties to the Commission, the application of the Philippine Competition Act (PCA) and its Implementing Rules and Regulations, related issuances, and based on the findings and recommendation of the Mergers and Acquisitions Office (MAO), the Commission finds that the Transaction will not likely result in substantial prevention, restriction, or lessening of competition in the relevant market for the reasons discussed below.

The Parties

SPNEC is a domestic entity engaged in the construction, operation, and maintenance of power-generating plants, warehouses, terminals, and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.²

SPNEC's Ultimate Parent Entity (UPE), Pilipinas Enterprise Management Holdings Inc. (PEMHI), is a project holding company engaged in the purchase, acquisition, or investment in the shares of stock of or partnership interest and participation in a

¹ The Philippine Competition Commission conducts reviews of mergers and acquisitions, including joint ventures, pursuant to Sections 16 and 17 of Republic Act No. 10667, otherwise known as the Philippine Competition Act (PCA), and Section 1, Rule 4 of the Implementing Rules and Regulations of the PCA.

² Philippine Stock Exchange, SP New Energy Corporation, available at: https://edge.pse.com.ph/companyInformation/form.do?cmpy_id=688 (last accessed 19 November 2024).



corporation or partnership.³ PEMHI's subsidiaries within its Notifying Group are engaged in various industries,⁴ including the energy sector. One of its subsidiaries, Manila Electric Company (MERALCO), operates as a distribution utility (DU).

Actis is a limited liability company registered in Singapore⁵ that globally invests in sustainable infrastructure. Actis functions as the investment vehicle of its UPE, General Atlantic Service Company Management Group Partner, LLC (GASC), in the proposed joint venture. For 2023, Actis reported no aggregate assets and no gross revenues with Philippine nexus.⁶

GASC is a limited liability company registered in the United States.⁷ Its principal activity is investment holding.⁸ GASC provides capital and strategic support for companies engaged in climate, consumer, financial services, healthcare, life sciences, and technology.⁹

Terra Solar is a joint venture (JV) company wholly owned by SPNEC. It is a domestic entity engaged in the business of generating power from renewable energy sources and selling or supplying the same to any corporation, public electric utility, DU, or electric cooperative.¹⁰

The Transaction

On 6 September 2024, a Share Subscription Agreement was executed between Actis and Terra Solar where Actis, through Actis Rubyred (Philippines) Holdings, Inc., will subscribe to 40%¹¹ of the shares in Terra Solar. SPNEC's shareholdings in Terra Solar post-Transaction would be reduced from 100% to 60%.

Discussion

Based on the lines of businesses of the Parties, the Commission finds that there are no existing horizontal overlaps and vertical relationships, including complementary relationships, between Actis and its Notifying Group, and Terra Solar and the entities it controls. Actis is currently not operating in the power generation business in the Philippines. While Actis may have renewable energy projects with Levanta Philippines,

³ PEMHI Notification Form.

⁴ These subsidiaries include: Maynilad Water Services, Inc., NLEX Corporation, Metro Pacific Health, and Metro Pacific Light Rail Corporation.

⁵ Actis Notification Form.

⁶ *Id.*

⁷ GASC Notification Form.

⁸ *Id.*

⁹ *Id.*

¹⁰ Terra Solar Notification Form.

¹¹ Consists of issued and outstanding common shares and outstanding redeemable preferred shares.

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Pte. Ltd. (Levanta Project),¹² these are still in the early stages of development and planning and not expected to be operational [REDACTED] years.¹³

Market data show that there are sufficient competitive constraints in the nationwide generation and sale of renewable energy. Actis is not operating any renewable energy power plant, and its entry into the JV through Terra Solar will not affect the market position of the Parties. Likewise, Meralco PowerGen Corporation, which includes Terra Solar's capacity, only holds [REDACTED] of the market as shown in Table 1 below.

Actis disclosed during the review that [REDACTED]
[REDACTED] the Parties' market position post-Transaction will only increase by a small increment of [REDACTED]

Table 1. Pre-Transaction Market Shares of Competitors in the Renewable Energy Sector (as of October 2024).¹⁴

Rank	Company	Existing	Committed	Indicative	Total	Market Share
1	AC Energy Corp.	1,095.00	464.20	12,456.80	14,016.80	[REDACTED]
2	First Generation Corporation	1,578.00	116.22	7,527.20	9,221.42	
3	Domhain Earth Corp.	-	-	8,030.00	8,030.00	
4	Vind Energy Group	-	-	6,244.00	6,244.00	
5	SMC Power Holdings	653.00	-	4,930.00	5,583.00	
6	Meralco PowerGen Corporation	427.30	1,486.15	2,980.00	4,893.45	
7	AboitizPower	1,679.40	614.15	2,170.19	4,463.74	
8	Yuchengco Group of Companies	138.07	52.74	3,010.00	3,200.81	
9	CI NMF (PH) Corp.	-	-	2,300.00	2,300.00	
10	CleanTech Global Renewables, Inc.	20.00	-	2,089.60	2,109.60	
69	Magallanes Solar Energy Corp. (Actis)¹⁵	-	-	175.29	175.29	[REDACTED]
	Others ¹⁶	3,770.38	6,419.33	34,013.23	44,202.94	
	Total	9,361.15	9,152.79	85,926.31	104,440.25	

The Commission also takes notice that a substantial portion of the market – approximately [REDACTED] – is held by around 248 other players. This indicates that the

¹² MAO's Interview with the Notifying Parties.

¹³ *Id.*

¹⁴ Department of Energy (DOE), List of Existing Power Plants and Private Sector Initiated Power Projects as of October 2024.

¹⁵ Actis will be acquiring 100% of Magallanes Solar Energy Corp.

¹⁶ Consists of 248 entities.

market is not concentrated and there is sufficient competitive pressure to prevent the unilateral exercise of market power by the Parties post-Transaction.

ACCORDINGLY, the Commission resolves to **CLEAR** the proposed joint venture between Solar Philippines New Energy Corporation and Actis Rubyred (Singapore) Pte. Ltd. through Terra Solar Philippines, Inc.

This Decision is rendered solely based on the facts disclosed, the circumstances of the Transaction known to the Commission during the review period, and documents submitted by PEMHI and GASC.

SO ORDERED.

7 January 2025.

[Signature page follows]



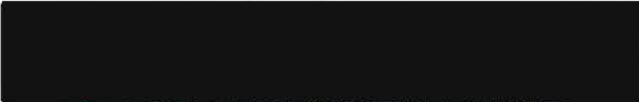
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Chairperson

(On leave)
MARAH VICTORIA S. QUEROL
Commissioner

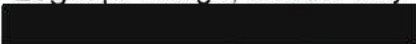
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Terra Solar Philippines, Inc.

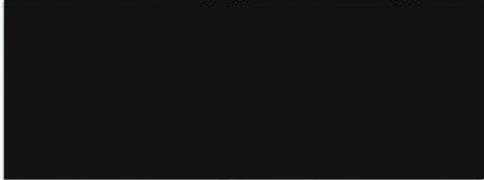
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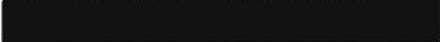
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