

•Publication : The Freeman
•Date : Monday, 06 July 2026
•AVE Value : PHP164,624.62
•Section : News
•Page : 3(1/1)


# The New Ingredient for Growth: How Julie's Bakeshop Turned Electricity Into a Business Strategy


Ehda Dagooc
Staff Member


For decades, Julie's Bakeshop has built its reputation on warm bread, neighborhood familiarity and an expansion model that has made it one of the Philippines' largest homegrown bakery chains.

Now, the company is betting that one of its biggest competitive advantages won't come from flour or ovens—but from electricity.

In a landmark partnership with retail electricity supplier COREnergy, Julie's Bakeshop is embracing the government's Retail Competition and Open Access (RCOA) program, allowing the company to choose where it buys its power instead of relying solely on its local distribution utility.

While the move may appear technical, executives say it reflects a larger shift in how Philippine companies are beginning to view energy—not simply as a monthly expense, but as a strategic asset capable of shaping expansion, profitability and long-term competitiveness.

"Energy is one of the largest fixed costs running through our commissaries, and at our scale, every centavo per kilowatt-hour matters," said Julies' Franchise Corporation Chief Operating Officer Gio Gandionco.

The Cebu-grown bakeshop chain operates an extensive production network that supplies hundreds of stores nationwide, making electricity a critical input alongside flour, sugar and labor.

Lowering that cost, Gandionco said, changes the economics of growth.

Securing more competitive electricity rates doesn't just lower a utility bill—it changes the unit economics of every store we open after this one.

That shift comes at a time when food manufacturers continue to navigate volatile commodity prices, rising wages and higher logistics costs. While flour and fuel often dominate discussions on inflation, electricity remains one of the largest controllable expenses for many manufacturers.

Every peso saved on energy, Gandionco said, becomes capital that can be redirected toward new stores, production upgrades and modern equipment.

"It's not abstract savings," the company said. "Every peso we're not spending on electricity at the old rate is a peso we can put toward expansion, modernizing our equipment, or strengthening our production capabilities instead."

### Electricity as a Boardroom Decision

For COREnergy, Julie's Bakeshop represents more than another commercial customer.

The bakery chain has become a case study for how Philippine companies can transform energy procurement into a competitive advantage.

"For many businesses, electricity is one of their largest operating expenses, yet it has traditionally been viewed as a fixed cost with little room for control," COREnergy Vice President and Head of Operations Marko Sarmiento said.

"The Power of Choice changes that mindset."

The company argues that electricity procurement is becoming as strategic as financing, logistics or supply-chain management.

Instead of treating power as a regulated cost that simply arrives on a monthly bill, businesses can actively compare suppliers, negotiate pricing structures and manage exposure to volatile electricity markets.

Through RCOA, qualified electricity consumers are allowed to purchase power directly from licensed Retail Electricity Suppliers, introducing competition into a market long dominated by traditional utility arrangements.

COREnergy estimates that businesses switching to qualified retail electricity suppliers can achieve savings of up to 15% on the generation component of their electricity bills, depending on consumption patterns, contract structure and prevailing market conditions.

Just as important, executives say, is greater predictability.

Among the company's most popular offerings is a fixed-rate electricity plan designed to shield businesses from market volatility throughout the contract period.

That stability, COREnergy gives companies greater confidence when planning investments, hiring employees and opening new facilities.

### Growth Powered by Efficiency

For Julie's Bakeshop, electricity affordability has become another variable in evaluating future investments.

"It's become a real variable in the model—not an afterthought—alongside rent, labor and logistics," the company said.

Savings realized at the commissary level ripple throughout the business.

Reduced operating costs improve financial projections for future branches while creating additional room to accelerate expansion into markets where operating expenses have traditionally been higher.

The strategy also reflects a broader evolution in Philippine retail, where operational efficiency increasingly determines competitiveness.

Rather than relying solely on higher sales to protect margins, companies are finding new opportunities by optimizing costs that were once considered unavoidable.

Julie's executives believe electricity deserves the same level of scrutiny as sourcing ingredients.

"Food and retail operators tend to treat electricity as a fixed cost you just pay," the company said.

"We treated it as a cost you can actually source and negotiate, the same way we'd source flour or sugar."

### A Market Still Waiting to be Discovered

Despite nearly a decade of market reforms, COREnergy believes awareness remains the biggest barrier preventing wider adoption of retail electricity.

Many business owners remain unaware that they may already qualify to choose their own electricity supplier, while others mistakenly believe the process is reserved for large corporations.

"The biggest challenge is awareness," COREnergy said.

"Many businesses are focused on growing their operations, serving customers and managing day-to-day priorities, so energy procurement is often not something they actively think about."

The company is calling for greater transparency in comparing supplier offers, streamlined switching procedures and continued education to encourage broader participation among medium-sized enterprises.

Looking ahead, COREnergy expects electricity purchasing to become a standard boardroom discussion.

"Five years from now, businesses will view electricity procurement as a strategic business decision rather than simply a monthly utility bill," it said.

As eligibility thresholds continue to decline, the company expects smaller businesses—and eventually even residential consumers—to gain access to greater choice in electricity sourcing.

### More Than a Utility Bill

For Julie's Bakeshop, the partnership ultimately reflects a philosophy that sustainable expansion depends as much on disciplined cost management as consumer demand.

In an industry where margins are continually pressured by fluctuating raw material prices, energy savings provide something increasingly valuable: flexibility.

That flexibility may ultimately finance the next bakery, the next production line—or the next community served by one of the country's most recognizable neighborhood brands.

For Philippine businesses confronting rising operating costs, the lesson extends well beyond baking.

The next source of competitive advantage may already be running through the power lines.