

## HIGHLIGHTS OF PLENARY SESSION (DAY 3)

### PERSPECTIVE FROM THE SENATE

Speaker: *Hon. Miriam Defensor-Santiago, Chairperson of the Energy Committee*

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- The world is entering a phase of “energy poverty” brought about by high prices of fossil fuels, increasing concern on energy security and technology innovation.
- With these complex interdependency, the following policies were proposed:
  - Flexibility – The country should maintain a portfolio of energy options
  - Collaborative networks- The government’s job should be connected to the endeavors of the NGOs, business companies, consumers and the Philippine public
  - Need for energy efficiency- Every business should put in place an energy efficiency plan covering operations, supply chains and workforce behavior.
  - Make carbon a mainstream economic cost for business- Filing of a Carbon Pricing Bill to strengthen carbon measures
- There are tradeoffs between food security and biofuels production such as national equity global efficiency and perception of energy security.
- Nuclear power, can be considered as the best option for carbon-neutral energy. However, certain risks such as environmental pollution and safety concerns have to be addressed.
- The primary motivator to consider nuclear power is energy security and diversification of energy sources.
- The country should consider energy re-evaluation or the consideration of technology/scientific developments
- Senate agenda on energy are as follows:
  1. Provide incentives for clean coal technologies
  2. Place a premium on alternative fuel bills (substitutes for gasoline and diesel in the transport sector)
  3. Increase efficiency of biomass fuels and promote use of kerosene and LPG for cooking
  4. Increase access to efficient stoves for biomass and modern fuels
  5. Subsidize capital costs for rural grid electrification and develop off-grid solutions
  6. Target subsidies to access
  7. Remove market barriers to trade in kerosene, LPG, biomass fuels and charcoal

## 8. Provide supportive regulatory policies for meeting energy services

### **ENERGY CONSERVATION: ASIAN EXPERIENCE**

*Speaker: Dr. Hiroaki Nagayama, Ph.D., Energy Science and Consultant, JICA*

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- Electricity prices in the Philippines is the highest in Asia
- India, China, Vietnam and Thailand have implemented their energy conservation laws. Even in countries where law has not been enacted (Malaysia and Indonesia), the inter-government committee has been organized.
- Malaysia, Thailand and Vietnam have their respective energy conservation centers.
- DSM measures have been implemented in public utilities in Indonesia, Thailand and Vietnam.
- Key lessons from other Asian countries include the enactment of an energy conservation law, provide for an energy conservation fund and the collection/analysis of the benchmark on sectoral energy efficiency

### **FOSTERING COMPETITION IN THE ELECTRIC POWER INDUSTRY**

*Speaker: Dr. Yongpin Zhai, Principal Energy Specialist, Southeast Asia Infrastructure Division, Asian Development Bank*

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- ADB support in the power sector are in the areas on establishment of independent energy regulators, privatization of NPC assets and TransCo concessionaire
- The challenge lies in making electricity rates more affordable and averting power shortage beyond 2012.

### **SUBSIDIZED OIL PRICES: ARE THEY SUSTAINABLE?**

*Speaker: Mr. Neil Atkinson, Senior Consultant, KBC Market Services, London*

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- Issues on subsidies includes the following: a) increase in oil prices has placed subsidies at the center of agenda in developing countries, b) subsidy costs are now very significant, c) growth in oil demand is expected up to 2030.
- Social policy objectives can be met effectively without subsidies
- Economic growth can be boosted through improved efficiency and reduced budget costs

- Global energy security can be improved through lower import needs.

### **IMPACT OF ENERGY PRICES IN THE AGRICULTURAL SECTOR**

*Speaker: Hon. Leonardo Montemayor, President, Federation of Free Farmers*

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- On key agricultural inputs, the cost of oil and fuel posted 21% increase in prices between 2006 and 2007
- For the fishery sector, the share of fuel cost to total production cost is at 81% (based on Php30/liter) and 85% (based on Php40 /liter)
- Tap the agricultural sector as provider of alternative fuels.
- Provide soft financing schemes through direct assistance to farmers and fisherfolks (e.g. electricity and fuel discounts)
- Provide livelihood opportunities , rural infrastructures such as irrigation and post-harvest facilities, land-use policy, logistics in transport cost, production yield technology.

### **LIGHTING POOR COMMUNITIES: THE EXPERIENCE OF AMORE**

*Speaker: Ms. Tetchi Cruz-Capellan, Chief of Party, AMORE-Winrock International*

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- AMORE is a rural electrification program in Mindanao using PV solar and micro-hydro energy systems
- The average annual Capacity to Pay per household is estimated at Php2,200. This amount is not enough to cover the full amount of the PV Solar which is estimated at Php18,000. per unit.
- The subsidy for the 20Wp PV Solar home systems (Php8,000, net of subsidy) remains inadequate.
- Households are unable to pay the full cost of the system, but are able to remit the commercial cost of the batteries. Collection efficiency on the basis of battery replacement rises to about 66 percent.
- Rural financing is the best option but , though available, remains inaccessible because of high interest rates.
- The volume of PV Solar business in Mindanao is not enough to create and sustain the requirements of the retail market for PV Solar Home Systems.
- Passage of the RE Bill will accelerate rural electrification in poor communities.
- Build multiple platforms for public-private cooperation to accelerate implementation of rural electrification

- Increase per capita energy intensity in the medium term to meet the Millenium Development Goals in 2012
- Community Organizing & Capacity Building to bring end-users to the path of sustainability

## **CONSUMER PROTECTION**

*Speaker: Hon. Juan Ponce-Enrile, Philipine Senate*

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- Inefficiency in the system brings about high system losses mostly in the rural areas
- The Philippines has a highest cost of electricity in Asia
- The EPIRA Law must be amended to accelerate open access