

**2008 PHILIPPINE ENERGY SUMMIT
SUMMARY OF ISSUES/CONCERNS AND RECOMMENDATIONS**

Day 3: January 31, 2008

Processing Issues and Options - Part Two

Plenary Panel Discussion 1: Perspectives on Easing the Burden to Energy/Power Users

SOURCE/SECTOR	MAJOR ISSUES/CONCERNS	AFFECTED SECTORS/AGENCIES/STAKEHOLDERS	PLANNING HORIZON* (Indicate the number)	PERSPECTIVE/REQUIRED ACTIONS/RECOMMENDATIONS	RESPONSIBLE AGENCIES/SECTORS/STAKEHOLDERS
<p>Perspective from the Senate HON. MIRIAM DEFENSOR-SANTIAGO Philippine Senate</p>	<p>High fossil fuel prices Energy security Growing concern on both local and global environments</p>			<p>Maintain a portfolio of energy options to be able to adapt and respond quickly to changes Work in collaborative networks Promote energy efficiency Legislate a Carbon Pricing Act</p>	
<p>1. Energy Conservation: Asian Experiences DR. HIROAKI NAGAYAMA Ph.D. Energy Science/ Consultant JICA</p>	<p>High electricity price in the Philippines High price of gasoline in relation with Per Capita GDP High energy intensity per GDP High CO2 emission intensity per GDP</p>			<p>Pursue vigorous efforts for energy conservation and adopt new technology A bench mark on energy efficiency by sectors, and by industries should be collected for exhaustive analysis Need to establish an Energy Conservation Center Provide comprehensive financial incentives (energy conservation fund) Capacity building</p>	
<p>2. Fostering Competition in the Electric Power Industry DR. YONGPING ZHAI Principal Energy Specialist, Southeast Asia Infrastructure Division Asian Development Bank</p>	<p>High electricity rates Impending power shortage beyond 2012</p>			<p>Need for PSALM to decide and proceed to select IPP Administrators to ensure competitiveness of WESM Need for PSALM to file universal charges for stranded costs to separate the financial liabilities and operations of IPP capacity Meralco and other DUs to avail performance based distribution rates (ERC decision needed) Streamline regulation for ECs to allow recovery of capital and operational expenses (strengthen EC's technical and financial capacity) Implement privatization program to sell as early as possible at least 70% of NPC generation assets and transfer of at least 70% of its IPPs to IPPAs Review of lifeline rate mechanism to better target vulnerable consumers</p>	
<p>3. Subsidized Oil Prices: Are They Sustainable? MR. NEIL ATKINSON Senior Consultant KBC Market Services, London</p>	<p>Sharp rise in oil prices Expected strong growth in demand for oil Subsidies promote indiscriminate growth and pollution & CO² emissions Subsidy regimes contribute to poor financial performance of some state-owned companies in developing countries</p>				
<p>4. Impact of Energy Prices in the Agriculture Sector MR. LEONARDO Q. MONTEMAYOR President, Federation of Free Farmers Council of Adviser, Alyansang Agrikultura Former Secretary, Department of Agriculture</p>	<p>Impact of Rising Petroleum Products on Rice Production</p>	<p>Agriculture</p>		<p>Adoption of technologies developed by the academe specifically coming from the agriculture studies BIO-M substitute for Urea Fertilizer Maximize use of organic fertilizers Subsidize electricity and fuel production costs for farmers Support the use of large scale organic fertilizers Subsidy for irrigation cost using grid electricity Continue providing irrigation system to farmers Use of "Ram pump technology" which is categorized as a less-oil dependent machinery and other similar technologies Establishment of Information and Communication Technology Network of farmers, small producers and other relevant agri agencies</p>	<p>Academe / DOST/ DA DA DA DOE DA / DOE DA DA DA</p>

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	<p>Impacts of high oil price on key agri inputs</p> <p>Impact of high fuel price on machineries and transport of agri products to the market (lack of extension service in the rural areas)</p> <p>Low income of farmers</p> <p>Impact of high oil price on the Fisheries Sector</p>	<p>Agriculture</p> <p>Fishery</p>		<p>Promote the use of organic fertilizers Continuous research on other sources of organic fertilizers Develop technologies to make better and efficient use of Biomass Use of organic and inorganic fertilizer or what is called "balance fertilization" Direct assistance thru the use of the Agri Competitiveness Enhancement Fund (ACEF) and other funding institution</p> <p>Installation of basic service infrastructures in the area such as farm to market roads, terminals Reduce shipping costs</p> <p>Introduction of alternative crops such as sweet sorghum and jatropha and application of inter-cropping to maximize land use Establishment of an appropriate land-use policy</p> <p>Modernization of pump boat engines for efficient use of gasoline</p>	<p>Academe / DOST / DA DOST / DA DA DBM / DA DA</p> <p>LGU / DPWH DOTC / MARINA / DOF / BOC / Tariff Commission</p> <p>DA DENR / DA</p> <p>DA</p>
<p>5. Weighing the Tradeoff: Food vs. Fuel DR. EMIL Q. JAVIER President, National Academy for Science and Technology Former President, University of the Philippines</p>	<p>Dependence on imported oil Incompatibility of objectives Biofuels and food production are both land-based and compete with land-use and investments CO2 emissions</p>			<p>Profitably convert excess sugar to ethanol Increase capacity utilization of sugar mills with sweet sorghum Manage/ rationalize competition for land Organize the supply chain (link farmers to processing plants) Conduct more R&D to establish jatropha's competitiveness</p>	
<p>6. Lighting Poor Communities: The Experience of AMORE MS. TETCHI CRUZ-CAPELLAN Chief of Party ,AMORE - Winrock International</p>	<p>The average annual Capacity to Pay per household is not enough to cover the full amount of PV solar system</p> <p>Inadequate subsidy for PV solar systems</p> <p>Inaccessible rural financing due to high interest rates</p> <p>Volume of PV Solar business in Mindanao not enough to create and sustain the requirements of the retail market for PV Solar Home Systems</p>			<p>Passage of the RE Bill (will accelerate rural electrification in poor communities)</p> <p>Build multiple platforms for public-private cooperation</p> <p>Increase per capita energy intensity in the medium term to meet the Millenium Development Goals in 2012</p> <p>Community organizing & capacity building to bring end-users to the path of sustainability</p>	
<p>7. Consumer Protection HON. JUAN PONCE-ENRILE Philippine Senate</p>	<p>Inefficiency in the system High system losses mostly in the rural areas Miscalculation of demands for future capacities High fuel cost Inadequacy of supply high cost o electricity Contracted debts Lack of safeguard on power abuse Lack of confidence and competence in the deregulatory body</p>			<p>Revision of EPIRA Law: - pursue advocacy for the reform not just to achieve lower rates but also unburden the consumer from tariff rates. - IPPs with more than 30% power contracts should not be allowed to participate in the open access - accelerate open access by relaxing requirements under the present EPIRA law - decrease / discharging IPP contracts fro 70 to 30%</p> <p>Review of contracts</p>	

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Questions & Answers:	<p>We already know that there is a need to proactively address the future energy needs. What is the first thing we should stop doing?</p> <p>What is the number 1 thing we should continue doing?</p> <p>what is the number 1 thing we should start doing?</p>			<p>Continue the policies that have already worked in the past, instead of discarding them.</p> <p>We should be unified as people and put aside parochial issues.</p>	

Plenary Panel Discussion 2: Ensuring Follow-through of Summit Action Plans

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<p>1. Scaling up Best Energy Practices across Sectors through Social Mobilization</p> <p>a. Mobilizing Communities around Responsible Use of Energy MS. ODETTE ALCANTARA Convenor, Mother Earth Philippines</p> <p>b. Green Buildings: Test Case in Advocacy ARCH. CHRISTOPHER C. DELA CRUZ Convenor, Philippine Green Building Council</p>	<p>How to move people to action Concept of Social Mobilization</p> <p>30 - 40% Green House Gas emmision in the construction sector Solid waste generation</p> <p>Solid waste management issues / pollution Water Pollution Air Pollution</p> <p>Abuse of energy (use of excessive and ineffecient energy)</p>			<p>Catch attention, hold interest, create desire,move to action Think before you move or take actions</p> <p>Environment friendly methods for conctruction</p> <p>Solid Waste management system</p> <p>Reduce CO2 Emmision</p> <p>Energy Management / Energy Consevation Exchange of knowledge and expertise / technology transfer Apply the best practices</p>	<p>GOVT/LGU/NGO</p> <p>Industry sector/Construction firms</p> <p>DENR</p> <p>Energy Sector</p>
<p>2. Institutionalizing a Mechanism for Monitoring and Evaluation of Proposed Interventions DR. ANTONIO G. M. LA VIÑA Dean, Ateneo School of Government</p>	<p>The need to take on the culture of blame and the implementation deficit Choosing to be accountable is taking on a difficult challenge and requires a full commitment OF AND from everyone.</p> <p>International and national experiences of accountability</p> <p>a. the access initiative b. the electricity governance initiative c. G-watch(text book count) d. Affiliated network for social accountability</p> <p>problems related to accountability</p> <p>a. only as good as the quality of the outcome specific measurable achiavable realistic timebound</p>	cross-sectoral		<p>a. no retreating from commitment (otherwise worse outcome) b. committing to accountability c. properly designed</p> <p>Principles to guide design processes and activities</p> <p>a. SMART decicions b. be inclusive and be constructive</p> <p>How to organize mechanism</p> <p>a. overall partnersghip agreement b. legal constitutive document c. task groups/sub-committess d. use ICT mechanism</p> <p>SMART test for goals/objectives - specific, measurable,achievable,realistic, time bound</p>	

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	<p>b. how inclusive do you want to be only like-minded partners include even critics media</p> <p>The problem of compliance a. the targets should be legally binding? b. achieving self enforcement c. planning for leadership transitions-commitment should be institutional and not personal d. using consent agreement-partnership agreement with stakeholders</p> <p>Principles to guide design processes and activities a. SMART decisions b. be including the way it should be constructive</p> <p>Barriers to good stakeholders mechanism avoid being a turtle</p> <p>Principles a. use milestones to monitor activities and policy changes b. use indicators to monitor level of outcome and effort-develop specific indicators</p> <p>Monitoring and other accountability processes. a. what is the purpose of the monitoring mechanism b. accountability-govt, ngo, private sector c. improve outcomes-service delivery-move it away from blame culture</p> <p>d. example of G-watch</p> <p>who should be included in the mechanism a. all concerned govt agency b. those who have a stake-economic interest, beneficiaries c. advocacy organizations</p>			<p>Be inclusive but with clear rules of accountability for everyone Use milestones to monitor activities and policy changes Use indicators to monitor level of effort and outcomes</p> <p>Needs to monitor activities, Policy changes, level of effort and effectiveness and compliance</p> <p>Commitment in actions and programs of concerned sectors</p>	

*Can be addressed within the following period criteria:

1. Immediate (Within 6 months)
2. Short Term (Within 1 year)
3. Medium Term (Within 2 to 5 years)
4. Long Term (Over 5 years)