

## **CAPITALIZING ON A RENEWABLE PRESENT**

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Climate change is here. And the rate, the extent, as well as the patterns, of change being reported are leading more and more decision makers to understand, that the appropriate global response must be nothing short of systemic, as well as immediate. Almost like building a wartime economy, as opposed to twitching an annual work plan.

Throughout the world, pockets of profitable, sustainable, and enlightened change are popping up like mushrooms. Ranging from simple energy efficiency measures to a new city in the desert powered entirely from renewable energy, a new world order is taking shape. And this is happening, not in twitches, but in exciting leaps and bounds. EXAMPLES: cellular phones, bottled water, LOTUS 123. Renewable Energy opportunities represent a new business model for the energy sector. What am I talking about?

**RE INVOLVES MATURE TECHNOLOGIES.** There are hundred and one, viable and profitable renewable energy options available today. Even if we eliminate those esoteric options that remain unproven, dozens of options remain. They are all on Google.

**RE PROVIDES BETTER PROFITS.** Dual revenue streams-one, from power generation (both baseload and peak), and two, from carbon credits. They also offer exciting returns on investments and drastically shorten payback periods. EXAMPLES, rice hull, cane tops, banana and pineapple waste, coconut husks, urban landfills.

At a recent business conference, I was asked, what is a carbon credit? Hello. Where have you been? I said the carbon credit is a new currency for the future. A new, very marketable security in short supply, and very much in demand. At APEC last year, the president spoke for the world's emerging economies and asked for the inclusion of a statement calling for an expansion of CDM and the globalization of carbon exchange. Within a few years, every major economy in the world will have a carbon exchange. If you still don't know what it is, you better learn fast.

**RE PROVIDES BETTER UTILITY.** Some offer dual use options. As in the case of hydro power, the use of agricultural wastes provides – one, baseload power generation from methane, and two, access to methane-depleted humus for vermiculture and organic fertilizer production to offset the rising cost of chemical fertilizers.

**RE OFFERS BETTER RELIABILITY.** RE involves indigenous power thereby reducing dependence on imported fuels, helping improve or balance of payments

and trade. They also serve to insulate the Philippine economy from where hit by the energy crisis. And Geronimo Velasco, first energy minister, the very same person who led the development of our entire geothermal energy program, wrote these words, and I quote, “the crisis made us realize that the world’s oil supply had become so volatile that dependence on oil imports was no longer a reliable option to fuel the country. If we were to make progress, we had to develop our own energy sources”. We knew this 35 years ago. Where are we today?

**RE DISTRIBUTES RISK.** Very often, RE involves imbedded power, versus transmitted power. Requiring significantly investment in transmission systems, insulating grid pockets from central failures, and managing the growing problem of cable theft. In the Philippines, energy loss in transmission has been estimated to go as high as 17 percent. This can be avoided. In a nutshell, this translates to more stable power cost, and greater competitiveness, especially for areas that host economic zones. Regional power planning, with the direct involvement of stakeholders, is the way to do this. It is also another embodiment of the spirit of the Local Government Code.

**ENVIRONMENTALLY BENIGN.** Being dependent on natural ecosystem services, the management of a renewable energy program utilizes ecosystem based management as its platform. This requires more holistic planning that, if properly done, results in a generally healthier and more sustainable environment. This translates to better water supply, better food security, healthier oceans and coasts, better national health, better incomes for all.

**EMMISSION, NOT JUST POLLUTION.** Greenhouse gases have caused the spike in global GHG levels and unpredictable weather. Renewable energy attacks the problem at its very root. They also help stabilize global weather, helping create a more predictable future for the planet.

How can this happen? Before anything, government must create the platform. A well-crafted Renewable Energy Bill does just that. Let’s get that law passed and, more than simply leveling the playing field, this law must make it happen. If you want to talk costs, this is the way to manage that. If you want to talk viability, there is no question. If you want to talk profits, yes, this is it.

In Bali, China made a clear statement. We want clean technology. Give us access to the technology, help us finance it.

The world is changing. Are you on board?