

# Responding to High Oil Prices

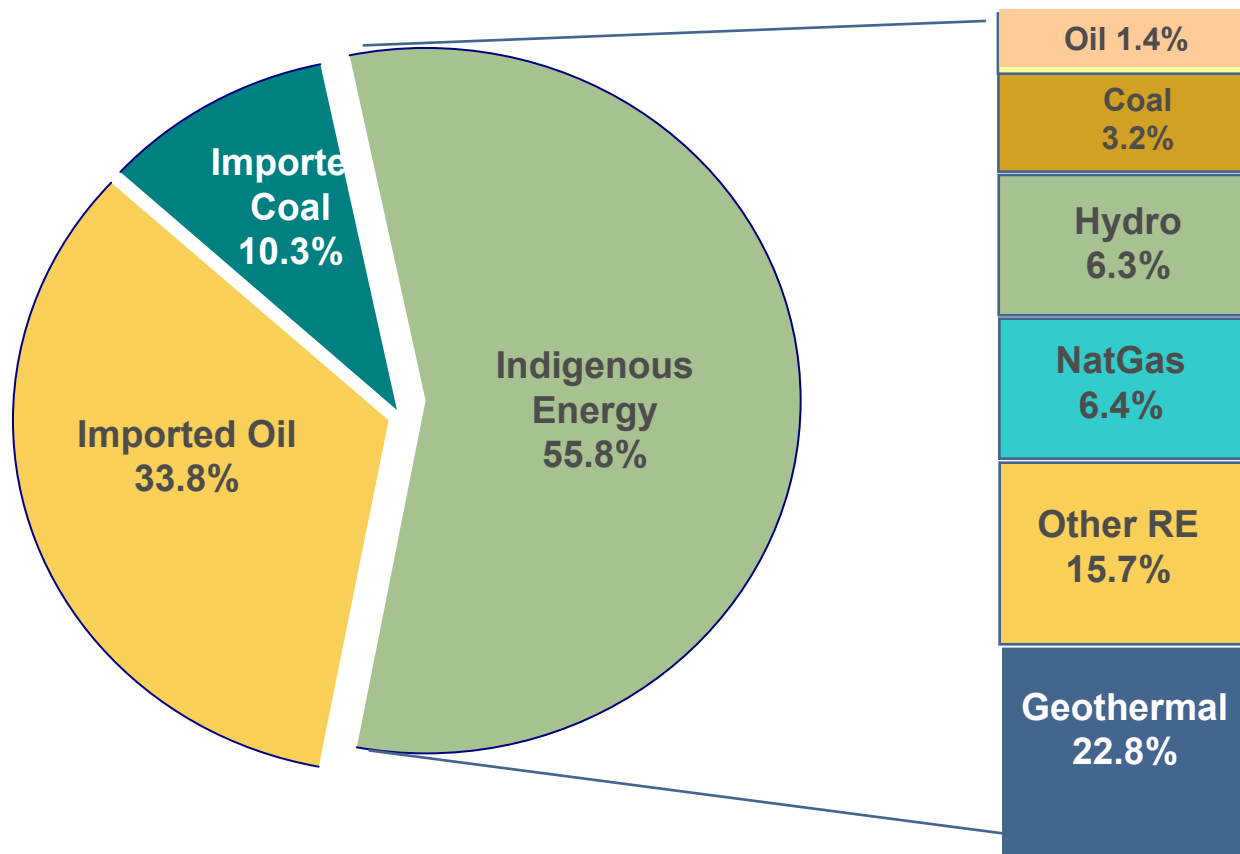
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**Philippine Energy Summit**  
**31 January 2008**

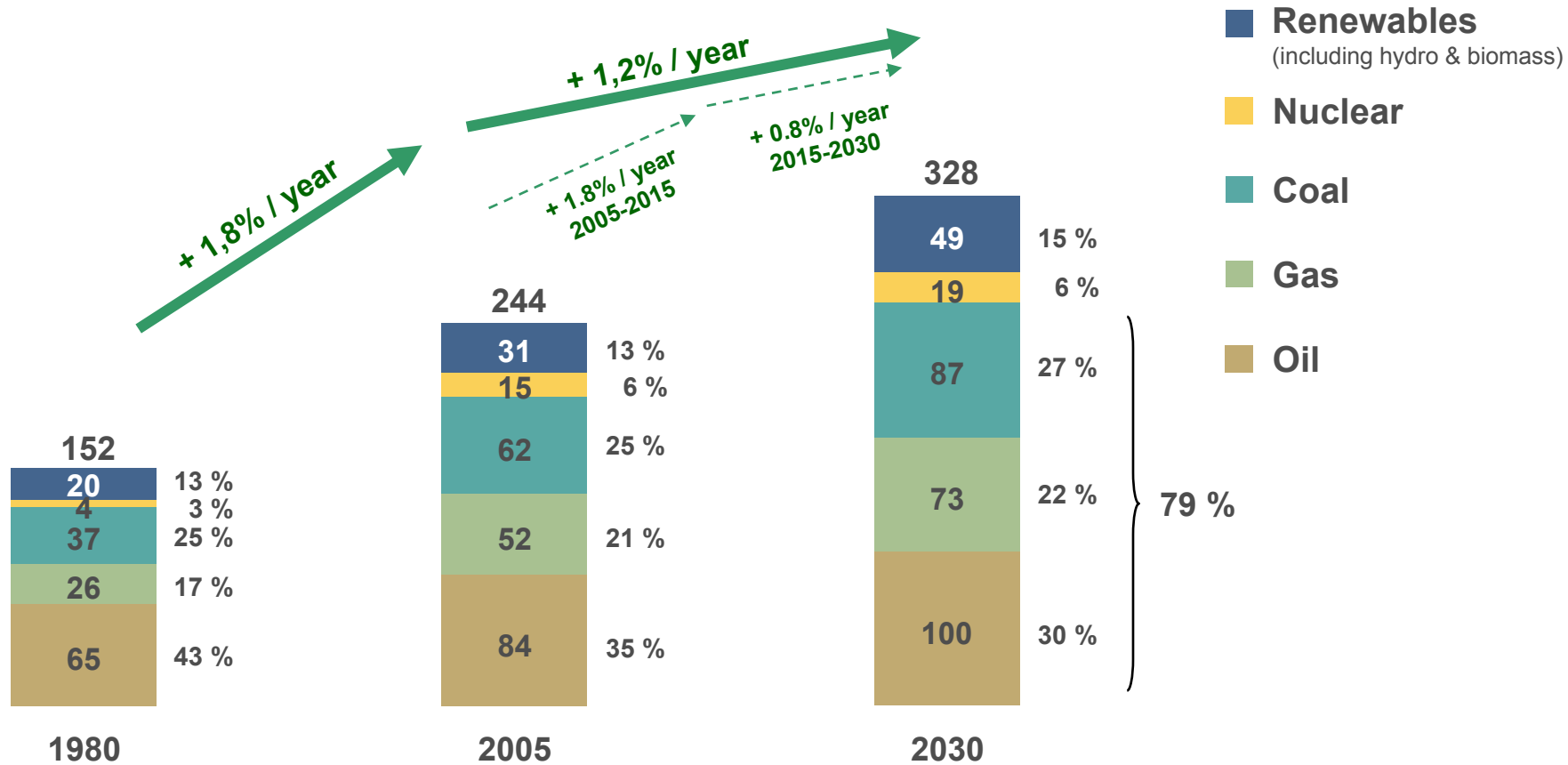


# Primary Energy Supply



# 80% of the global energy mix still derived from fossil fuels in 2030

World energy demand\* Million boe/day

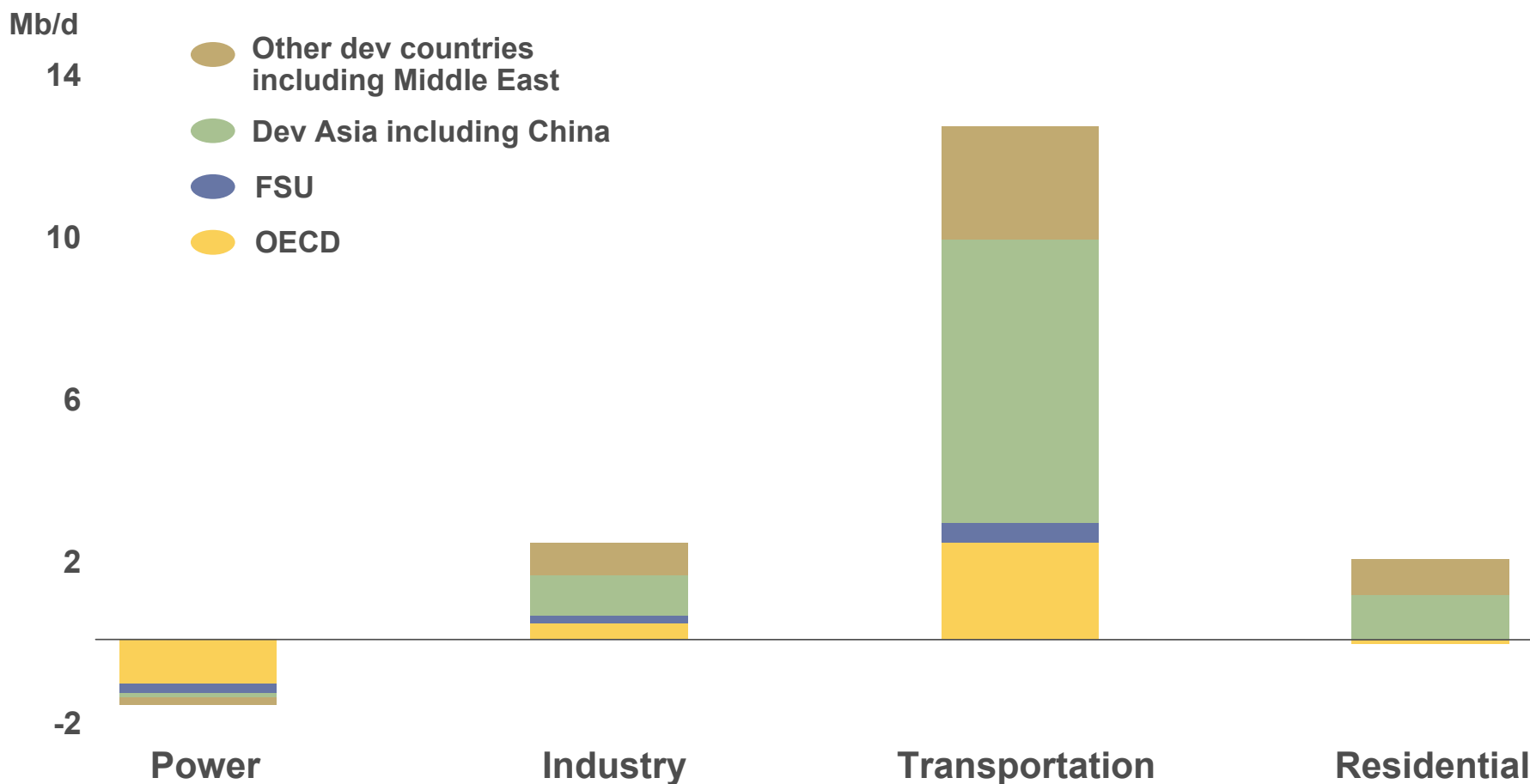


\* Primary energy

Sources: IEA World Energy Outlook 2006 and Total

# Oil: transportation, the main driver of demand increase

## Incremental world oil demand by region and sector 2005-2030



Source : IEA World Energy Outlook 2006, Total

2008 Philippine Energy Summit – 31 January 2008



# What can be done about high oil prices?

## ► Government

- Tariff reduction → Php 1.00 reduction in diesel pump price
- DOE's role in moderating prices through staggered price adjustments
- Continue policy towards energy independence
  - Biofuels Act
    - Indigenous source of fuels → \$ savings
    - Cleaner, more environmentally-friendly
    - Livelihood and economic development → new markets, new industries
  - Develop renewable energies potential
  - Enhance energy efficiency and conservation program

# What can be done about high oil prices?

## Industry

- Diesel discount program for PUJs/PUVs – Php 600 million in 2006
- Promotion of AutoLPG as cheaper, safer and more environmentally-friendly alternative to gasoline
  - **Php 34.98 / liter AutoLPG versus Php 44.47 / liter for ULG**
  - **Conversion from Php 16,000 to Php 60,000**
- Continued development of cleaner conventional fuels and higher-performing lubricants
- Introduction of CNG-run buses
- Globally, actively promoting alternative fuels and renewable energies

# What can be done about high oil prices?

## ► Motorist / Consumer

- Proper driving habits
  - **Aggressive vs moderate driving → up to 34% savings in fuel consumption**
  - **Observe speed limits, avoid excessive idling**
- Regular maintenance of vehicles
- Car pooling and trip planning
  
- Switch from incandescent to CFL lighting
- Unplug appliances / transformers when not in use
- Adjust aircon thermostat → approx 3% is added to energy cost for every degree you lower thermostat
- Use flat-bottom pans with light covers to lessen heat transfer loss
- Schedule washing and ironing chores