

SEIZING THE OPPORTUNITY
Summit Output Presentation to the President

Angelo T. Reyes
Secretary
Department of Energy

2008 Philippine Energy Summit
SMX Convention Center
5 February 2008

Her Excellency, President Gloria Macapagal Arroyo, distinguished guests, fellow stakeholders in the energy sector, good morning.

A week ago, hundreds of us gathered in this same venue in search of an answer to the thematic question that was posed by this Summit: with the international price of crude oil hovering at 100 US dollars per barrel, do we see crisis or opportunity on the horizon?

Judging from the enthusiastic participation of over 2,500 participants who packed the plenary session halls and workshop rooms across three days, the answer to that question surfaced loud and clear early on. Now is a time of opportunity. And we will seize the day—we will seize the coming days, weeks and months—to blaze new and exciting trails toward energy security along the lines of sustainable and climate-friendly development.

Among the most valuable lessons we have learned from this Summit is the fact that the process turned out to be just as important as the substance of this gathering.

Since we were convening the Energy Summit in a positive, inclusive and solutions-oriented spirit, we have taken pains to consult and involve as many sectors as possible—government agencies, non-governmental organizations, the legislature, private business groups, the academe, local governments, and interest groups, among others—from the planning of the Summit to the processing of its output.

The Summit consisted of three phases:

- a. the listening and consultative phase
- b. the collaborative action planning phase
- c. the integration and consensus-building phase

During the listening and consultative phase, eminent resource persons and key stakeholders shared their perspectives, issues and concerns, and suggested responses.

The collaborative action planning phase unfolded in the form of multi-stakeholder workshops tackling upstream and downstream energy issues, as well as concerns about power rates and high oil prices, that surfaced during the first phase. The output of these workshops consisted of multi-stakeholder responses/action plans would include recommendations on policies, legislation and programs. These can be classified as:

- a. immediate (within 6 months)

- b. short-term (within 12-24 months)
- c. medium-term (within 2-5 years)
- d. long-term (beyond 5 years)

One unique feature of this Summit is that, aside from intensively deliberating the technical issues, we devoted sessions to discussing social mobilization interventions and mechanisms for monitoring action plans. These are meant to guarantee follow through of all the action items that have been agreed upon during the Summit.

In other words, we want to make sure that this particular Summit would not be all talk. We will not only walk the talk. We will also stalk the walk! We will hold stakeholders accountable for their commitments in pursuit of our common goals. This underscores the value of social mobilization and performance monitoring as an integral part of the Summit design.

Output from the ten workshops held here at SMX were consolidated using standard templates and processed during the integration and consensus-building phase. This took place at the Asian Development Bank (ADB) on Feb. 1-2.

Following that process, the key stakeholders have crafted a preliminary list of priority recommendations and action plans for the immediate, short, medium and long term. In view of the complexity and sensitivity of many energy issues, the emergent priority programs and supporting initiatives that have been identified in the follow-on workshop at ADB will be processed further in post-summit consultative workshops with energy stakeholders.

These diverse proposed initiatives, numbering well over 100, are not all at the level of consensus at this time. Those that apparently meet with some consensus, we will refer to as “green” initiatives. Some initiatives requiring additional information, discussion or clarification, we have classified as “yellow” initiatives. Proposals that are contentious and will require extended consultations and negotiations among stakeholders have been marked as “red” initiatives.

The “color coding” of initiatives is a way by which we are scheduling the further processing of the rich output of the Energy Summit.

The preliminary Report of the 2008 Philippine Energy Summit that we are submitting to the President this morning consists of the compilation and documentation of the plenary presentations and proceedings of the workshops, as well as the initial analysis by DOE technical experts of the priority proposals recommended by over 2,500 Summit participants from diverse stakeholder groups.

More important, this Report outlines a number of “green” initiatives that have achieved a high level of stakeholder consensus. Allow me to mention the highlights:

In the area of lowering power cost for industry competitiveness and consumer welfare, the priority recommendations included:

- the full and immediate implementation of open access and retail competition in the power sector, and
- acceleration of implementation of Time-of-Use Pricing of electricity to make possible more efficient electricity system management and consumption.

In the area of renewable and alternative energy,

- there was an overwhelming clamor for the immediate passage of the Renewable Energy Bill into law after nearly two decades;
- there was also a proposal to create a one-stop-shop for processing sustainable energy projects;
- it was also recommended that the implementation of the Biofuels Law and the CNG program be accelerated.

In the area of energy efficiency and conservation, there emerged a radical idea to abolish income tax and to institutionalize a consumption-based carbon tax on the premise that it makes more sense to penalize citizens who inflict damage on the environment than those who earn income. There were also proposals for comprehensive energy efficiency measures across many sectors.

In the area of oil price management, the proposed initiatives included:

- Targetted expenditures schemes for pro-poor projects from oil collections;
- Revisiting the taxation regime on petroleum crudes and products
- Providing discounts and subsidies on basic needs (food, shelter, education) to vulnerable sectors such as the rural and urban poor, small fisherfolk and farmers
- Eradication of kotong and kolorum in the transport sector

In terms of social mobilization, proposals included the

- Creation of a platform for convergent cross-sectoral action
- Development of a decentralized, multi-stakeholder planning system; and
- An exciting campaign for a mind/behavior switch on many levels.

In terms of monitoring, it was proposed, among others, that

- A cross-sectoral covenant on performance monitoring be forged;
- and that a cross-sector monitoring system, covering plans, indicators, standards, awards and incentives be deployed.

The list of new ideas goes on Mrs. President and there is no way I can do justice to the tremendous amount of cerebral, physical and emotional energy that have been invested by the more than 2,500 participants who have made this Summit a huge collaborative success.

The challenges ahead may be formidable, but with a whole army of committed stakeholders by our side, we are confident that we can blaze new paths toward energy security and sustainable development in the months and years to come.

A week ago, we embarked on this exciting journey. Now that journey toward a secure energy future for our country continues. And there is no turning back.

Thank you very much.