

PHILIPPINE ENERGY SITUATION

*Climate Change, Energy & Development Planning:
A Multi-Sectoral Regional Dialogue*



Department of Energy



OUTLINE OF PRESENTATION

- ❖ *Energy and Development*
- ❖ *Current Energy Situation*
- ❖ *Strategic Actions of the Energy Sector*



Energy and Development



ENERGY AS A CRUCIAL COMMODITY

- **INDISPENSABLE TO ECONOMIC GROWTH**
- **COUNTRY'S DRIVER TOWARDS GLOBAL COMPETITIVENESS**
- **INSTRUMENT FOR POVERTY REDUCTION AND SOCIAL EQUITY**
- **ENVIRONMENTAL DIMENSIONS OF ENERGY POLICIES**

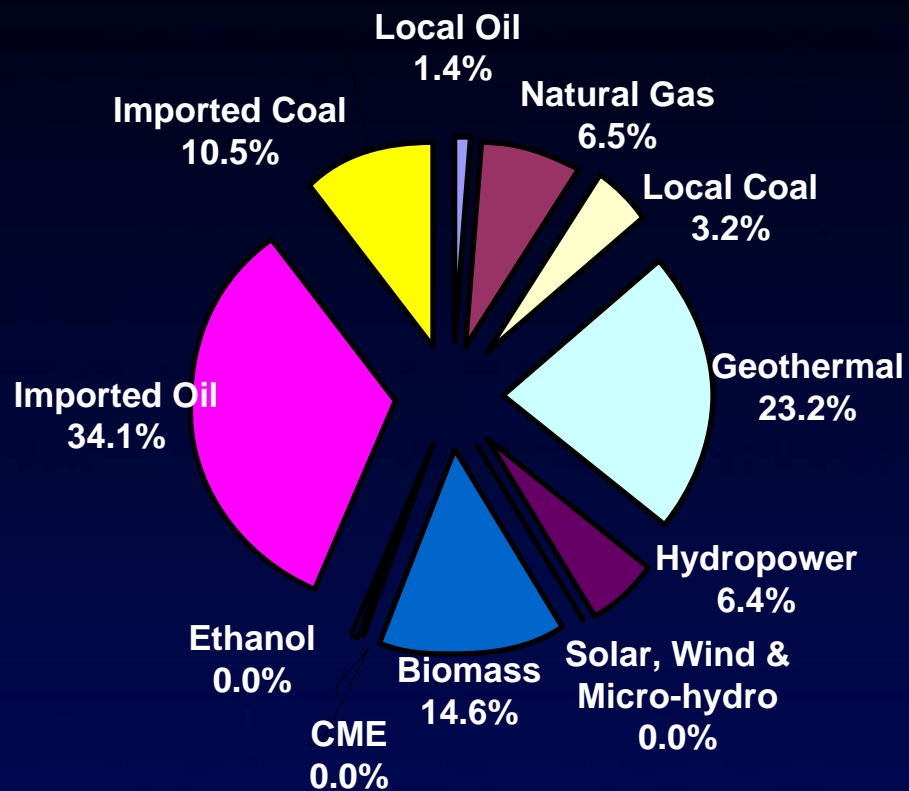


Current Energy Situation



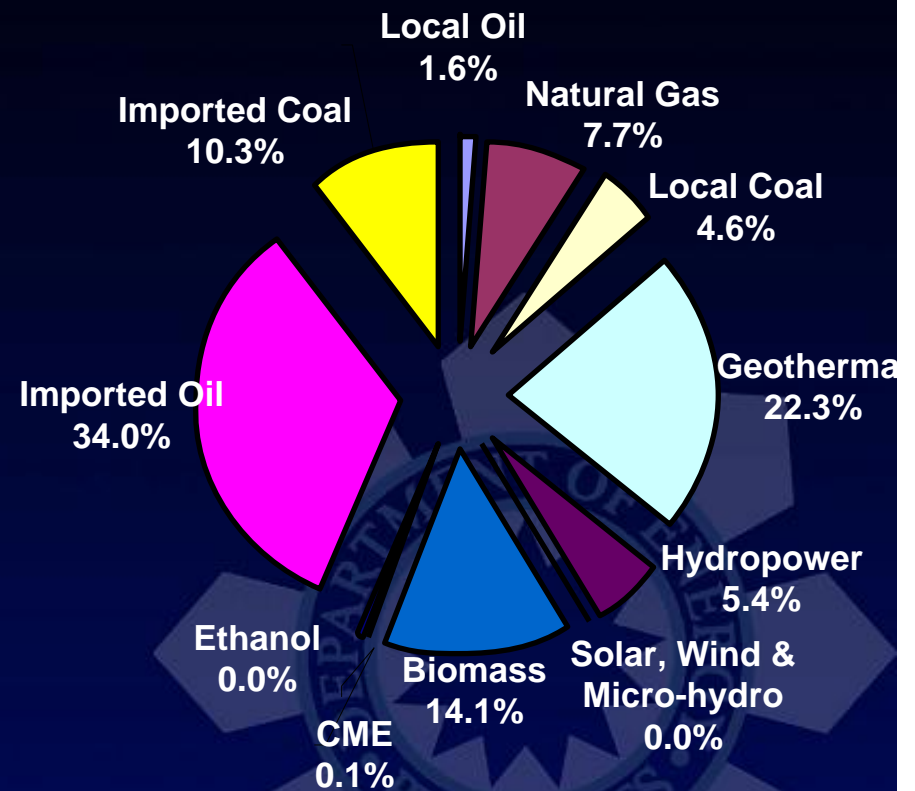
PRIMARY ENERGY MIX

2006



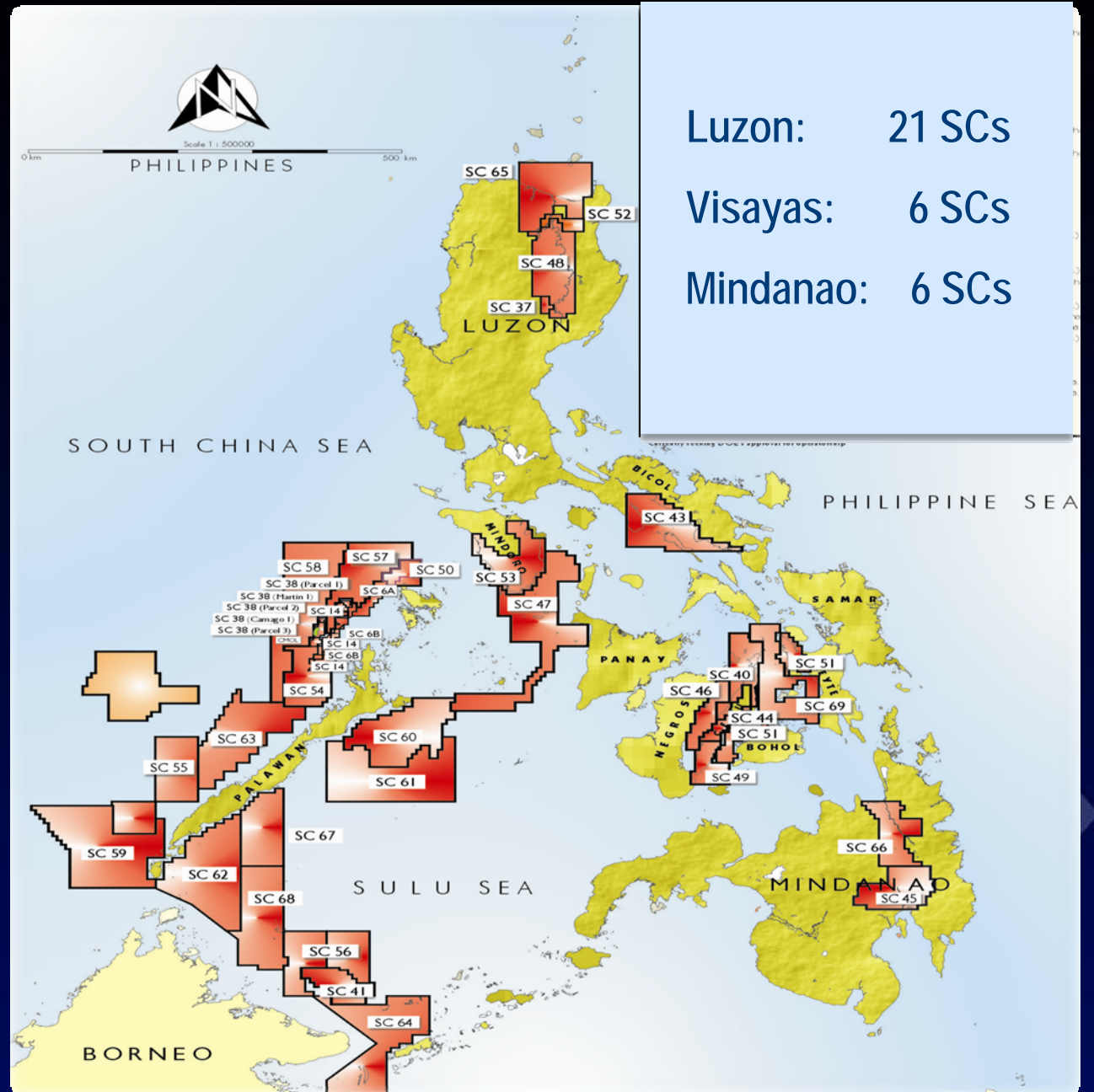
Self Sufficiency Level = 55.4%

2007



Self Sufficiency Level = 55.7%

EXISTING PETROLEUM SERVICE CONTRACTS

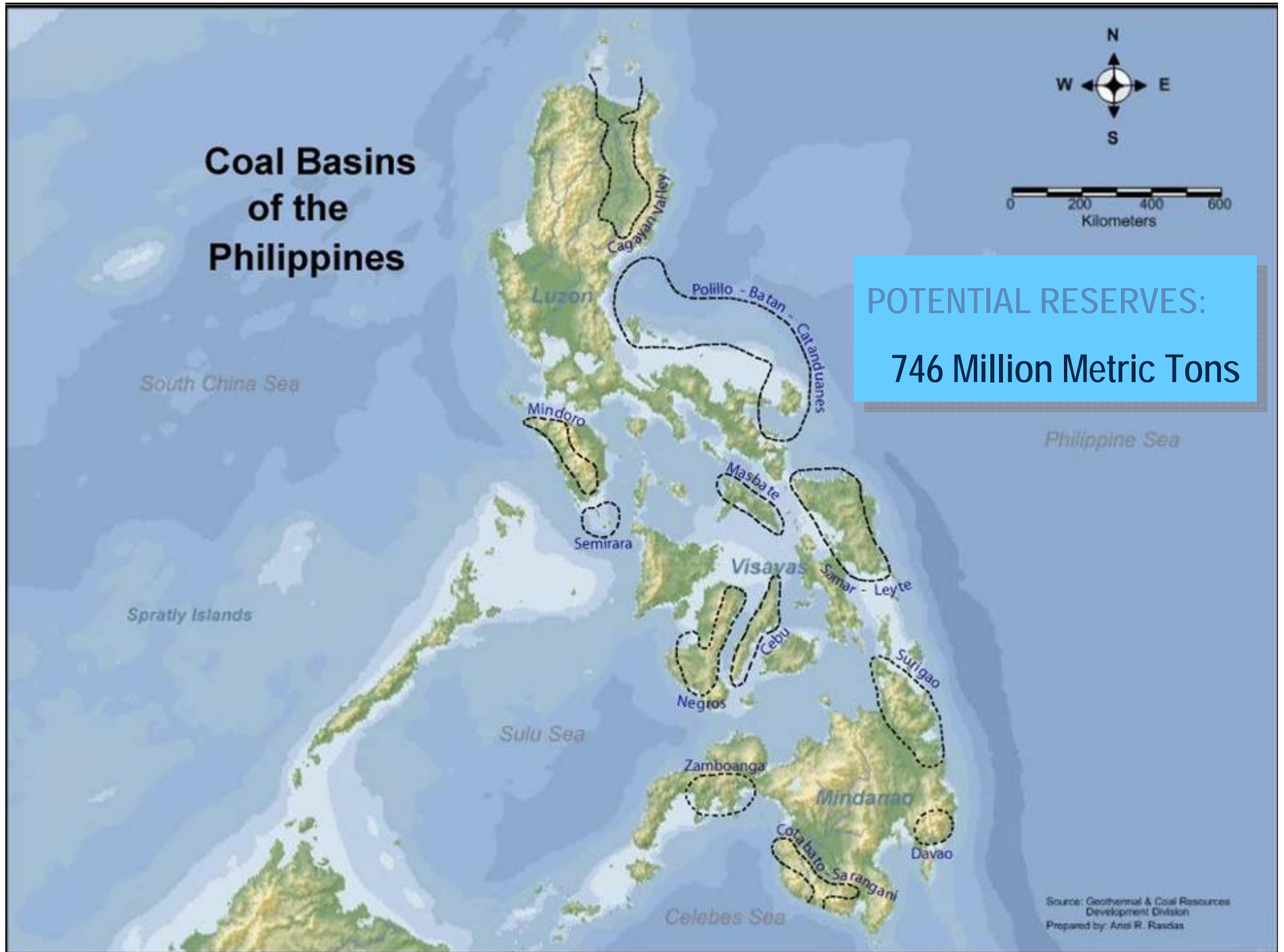


Coal Basins of the Philippines



0 200 400 600
Kilometers

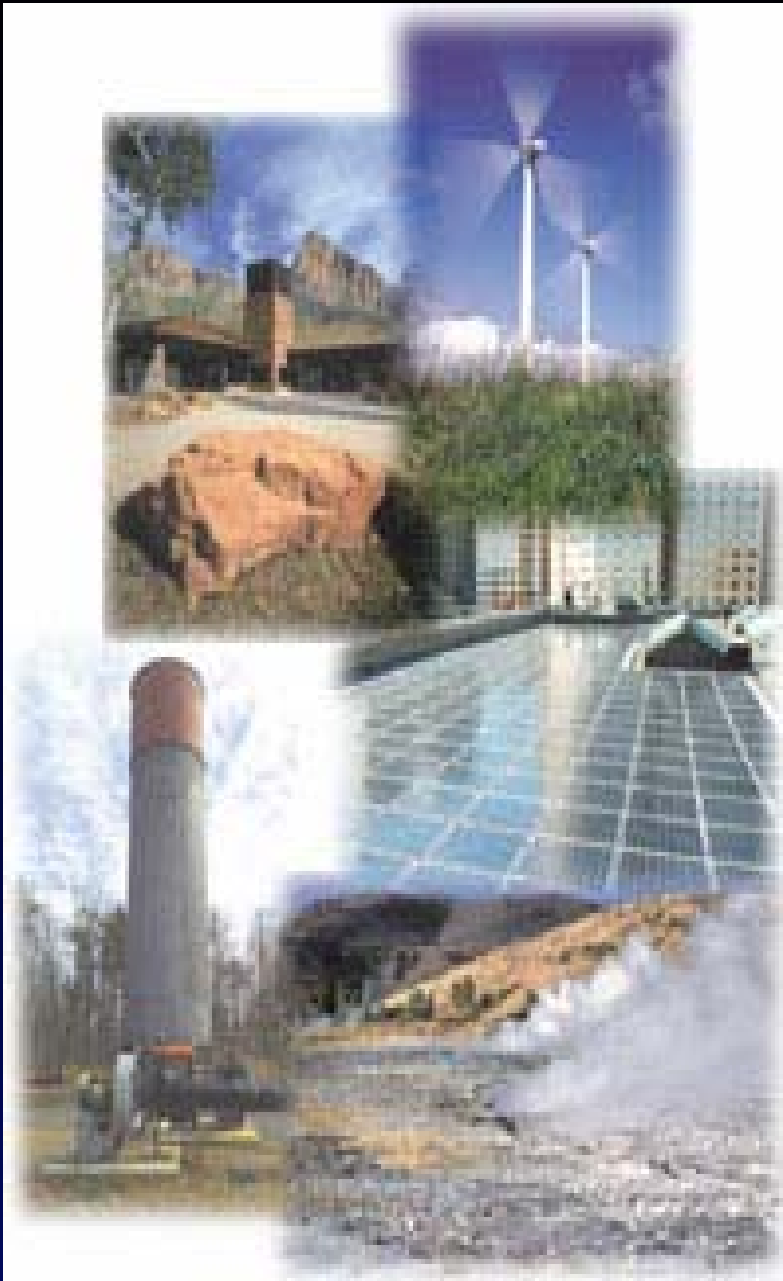
POTENTIAL RESERVES:
746 Million Metric Tons



Source: Geothermal & Coal Resources
Development Division
Prepared by: Anel R. Rasdas

RENEWABLE ENERGY RESOURCES

Potential



- Geothermal – reserve estimate of 4,406.56 MWe
- Wind resources – over 10,000 km² with 76,600 MW of potential installed capacity
- Hydro applications – potential capacity of at 147 MW in Visayas
- Mini-hydro potential capacity of 1,784 MW from 888 sites
- Solar radiation nationwide – an annual potential average of 5.0 - 5.1 kWh/m²/day
- Ricehull total potential of 277 MW
- Bagasse total potential of 236 MW
- Ocean energy resource – potential capacity of about 170,000 MW

RENEWABLE ENERGY RESOURCES

2007 Performance Highlights

Resource	Accomplishments, in MW (as of 2007)
Hydropower	3,367.070
Geothermal	2,027.065
Wind	25.250
Biomass	20.930
Solar	5.161
Ocean	-
TOTAL	5,445.476

*Note: Installed capacity for geothermal includes decommissioned plants.
Hydropower and solar on the other hand includes those not connected in the grid.*

ALTERNATIVE FUELS

- Signing of Republic Act 9367 or the Biofuels Act of 2006

Biodiesel

- Production capacity @ 287 million liters
- Mandated 1% biodiesel blend in May 2007

Bioethanol

- Mandated 5% ethanol blend in 2009
- Voluntary 10% ethanol blend available in 105 Seaoil stations nationwide and 39 Shell stations in greater Manila area
- 5 Ethanol production plant projects endorsed and registered under BOI/IPP.



ALTERNATIVE FUELS

AutoLPG

- 12,000 Auto-LPG taxis converted
- 19 government-accredited conversion shops operating nationwide

CNG

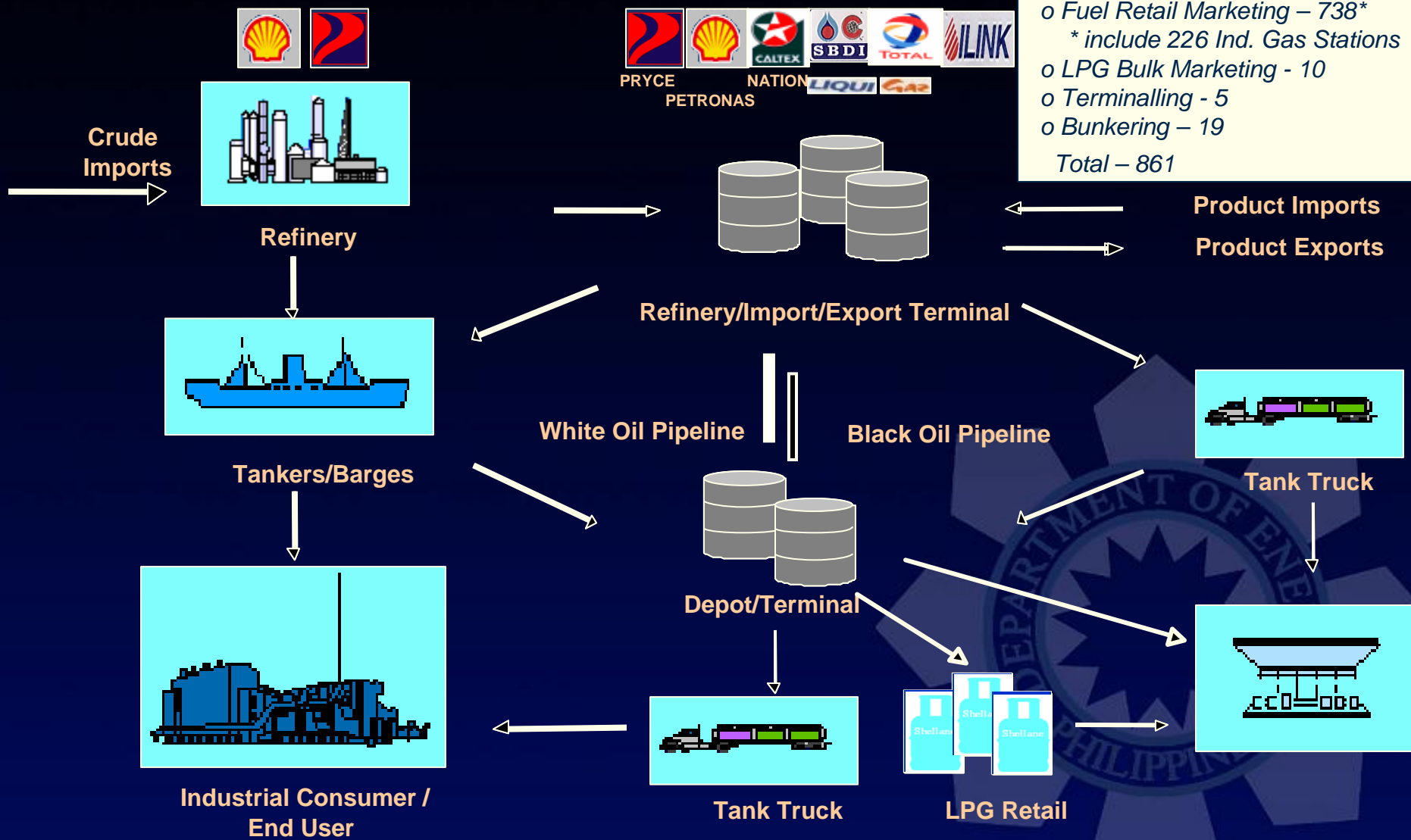
- Inauguration of CNG Mother-Daughter stations in Batangas and Laguna in October 2007
- 22 CNG buses plying along Batangas-Laguna-Manila route
- Conducted Libreng Sakay of CNG buses: 24 March - 06 April 2008



DOWNSTREAM OIL SECTOR

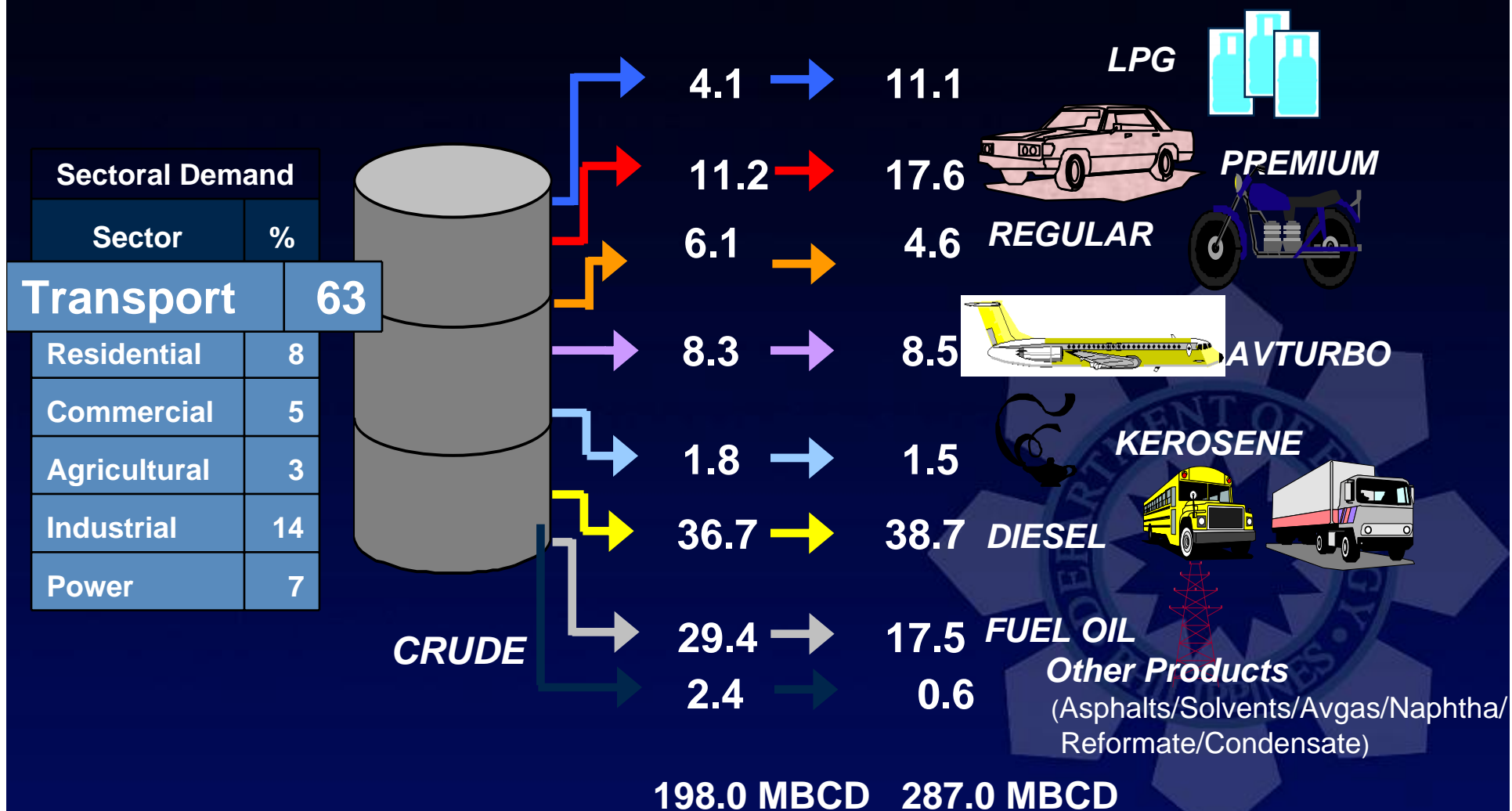
No. of Players per Activity

- o Refining - 2
- o Liquid Fuel Bulk Marketing - 87
- o Fuel Retail Marketing – 738*
 - * include 226 Ind. Gas Stations
- o LPG Bulk Marketing - 10
- o Terminalling - 5
- o Bunkering – 19
- Total – 861



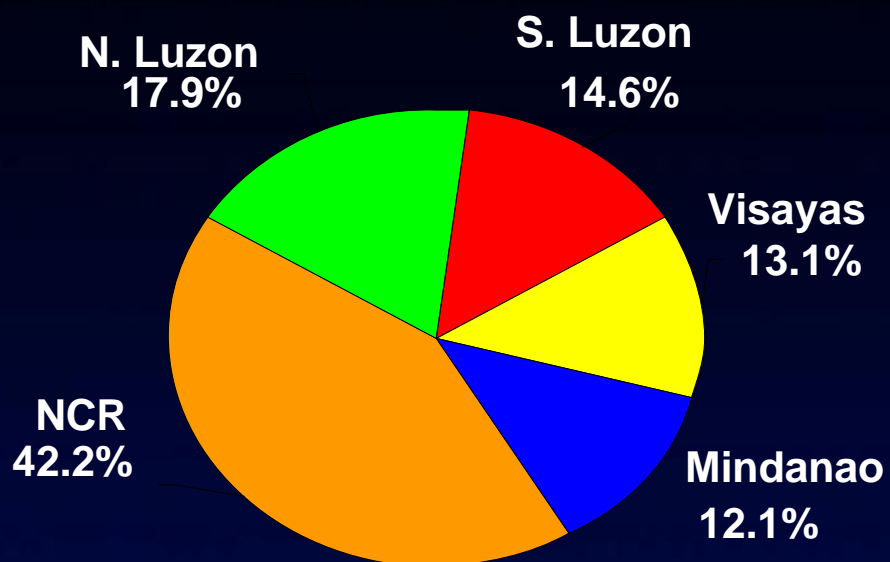
PRODUCTION/DEMAND MIX

FY 2007

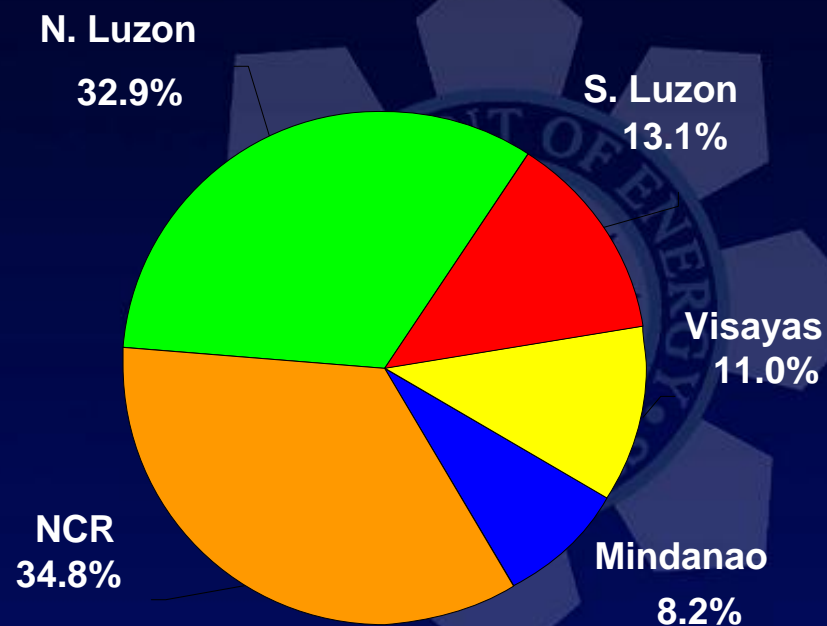


FY 2007 PETROLEUM PRODUCTS IN THE PHILS.

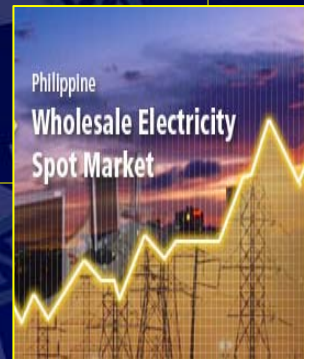
REGIONAL DEMAND SHARE (Total)



LPG SECTOR



Strategic Actions of the Energy Sector



STRATEGIC DIRECTIONS

- Ensure consistent, comprehensive, responsive and integrated energy policy
- Identify and achieve the optimal energy mix
- Promote green and clean energy
- Institutionalize social mobilization and monitoring



POLICY THRUSTS

1. Ensure stable and quality supply of energy

- ❖ *Intensify development and utilization of renewable and environment-friendly alternative energy resources/technologies*
- ❖ *Accelerate exploration and development of geothermal, oil, gas, and coal resources*
- ❖ *Enhance energy efficiency and conservation*
- ❖ *Maintain a competitive energy investment climate*

2. Make energy prices reasonable and affordable

3. Implement social mobilization and monitoring mechanism





STRATEGIC ACTIONS

1. Ensure stable and quality supply of energy

❖ *Intensify development and utilization of renewable and environment-friendly alternative energy resources/technologies*

- ✓ Pursue the immediate passage of the Renewable Energy Bill
- ✓ Accelerate implementation of the Biofuels Law and Natural Gas Vehicle Program for Public Transport (NGVPPT) program
- ✓ Promotion of the application of environment-friendly energy technologies
- ✓ Create a one-stop-shop for processing sustainable energy projects

STRATEGIC ACTIONS

1. Ensure stable and quality supply of energy

❖ *Accelerate exploration and development of geothermal, oil, gas and coal resources*

- ✓ Intensify search for geothermal, oil, gas and coal resources through continued public bid rounds and improved service contracting schemes
- ✓ Promote and implement Philippine Energy Contracting Rounds (PECRs) and award service contracts



STRATEGIC ACTIONS

1. Ensure stable and quality supply of energy

❖ *Accelerate exploration and development of geothermal, oil, gas and coal resources*

- ✓ Advocate immediate passage of the Downstream Natural Gas Bill
- ✓ Pursue the development of strategic infrastructures
- ✓ Expand the utilization of natural gas in power, transport, industry, buildings and agriculture
- ✓ Establish the Philippine Natural Gas Institute



STRATEGIC ACTIONS

1. Ensure stable and quality supply of energy

❖ *Enhance energy efficiency and conservation*

- ✓ Continue to implement the National Energy Efficiency and Conservation Program (NEECP)
- ✓ Intensify the “Palit-Ilaw” Program
- ✓ Develop/Promulgate/Implement, together with DTI-BPS, a Minimum Energy Performance Standards to phase out the least efficient lamps in the market by 2010
- ✓ Continue implementation and expansion of coverage of the energy labeling of the Philippines
- ✓ Advocate for the immediate passage of the Energy Conservation Bill



STRATEGIC ACTIONS

1. Ensure stable and quality supply of energy

❖ *Maintain a competitive energy investment climate*

- ✓ Ensure sufficient, stable and accessible energy supply meeting quality and safety standards
- ✓ Provide a level-playing field in the conduct of business
- ✓ Encourage investment in efficient and economic modes of energy marketing and distribution
- ✓ Promote investment in strategic energy infrastructure
- ✓ Encourage greater private sector investments and participation through market-based incentives



STRATEGIC ACTIONS

2. Make Energy Prices Reasonable and Affordable

❖ Reduce Electricity Costs

- ✓ Pursue full privatization of the remaining NPC assets and contracted energy outputs
- ✓ Accelerate implementation of open access and retail competition; to start in economic zones
- ✓ Ensure better targeting and implementation of subsidies for the poor and facilitating industry competitiveness
- ✓ Implement Demand Side Management (DSM)
- ✓ Intensify public sector involvement in reform process

STRATEGIC ACTIONS

2. Make Energy Prices Reasonable and Affordable

❖ Respond to high oil prices

- ✓ Target expenditures schemes for pro-poor projects from oil tax collections such as subsidies on basic needs (food, shelter, education) for the rural and urban poor, small fisherfolk and farmers
- ✓ Revisit taxation regime on petroleum crudes and products
- ✓ Provide discounts to vulnerable sectors
- ✓ Eradicate “Kotong and Kolorum” in the public transport sector



STRATEGIC ACTIONS

3. Implement social mobilization and monitoring mechanism

- ✓ Strengthen the stakeholders participation in planning, implementation and monitoring of energy plans and programs
 - Adopt efficient use of energy as a way of life



THANK YOU

