

PHILIPPINE ENERGY SITUATION

PEP 2008-2030 Public Consultation



Department of Energy



OUTLINE OF PRESENTATION

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

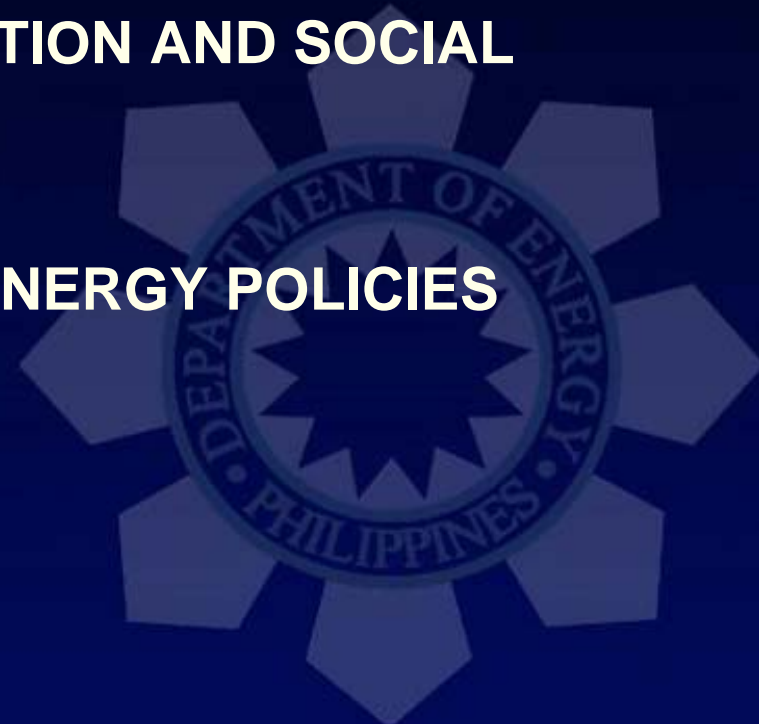


Energy and Development



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**

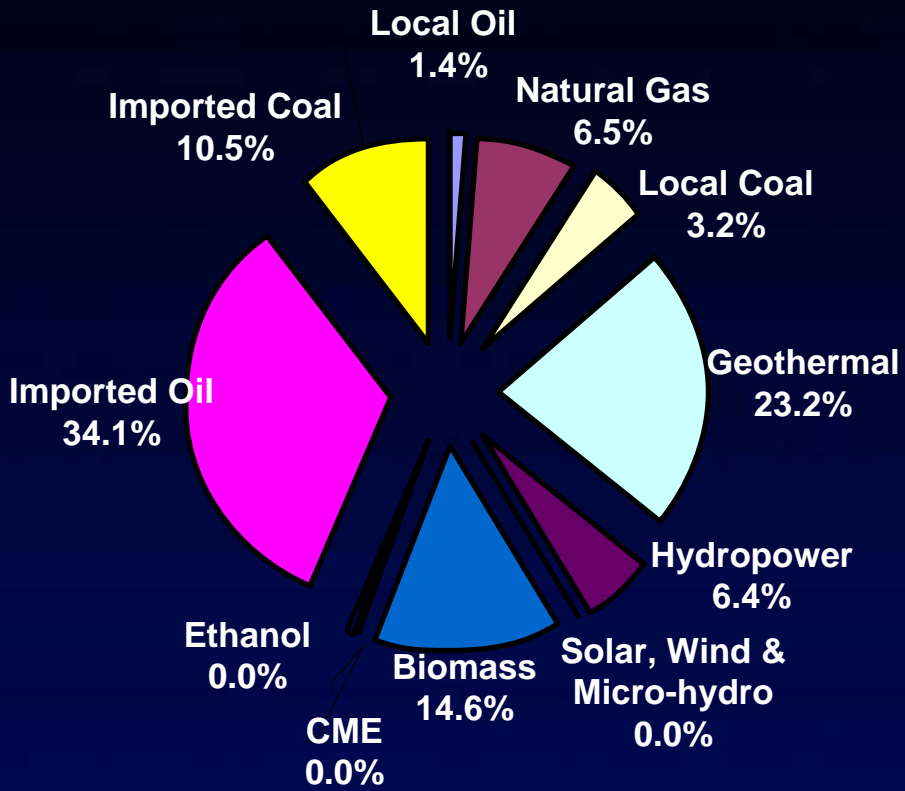


Current Energy Situation



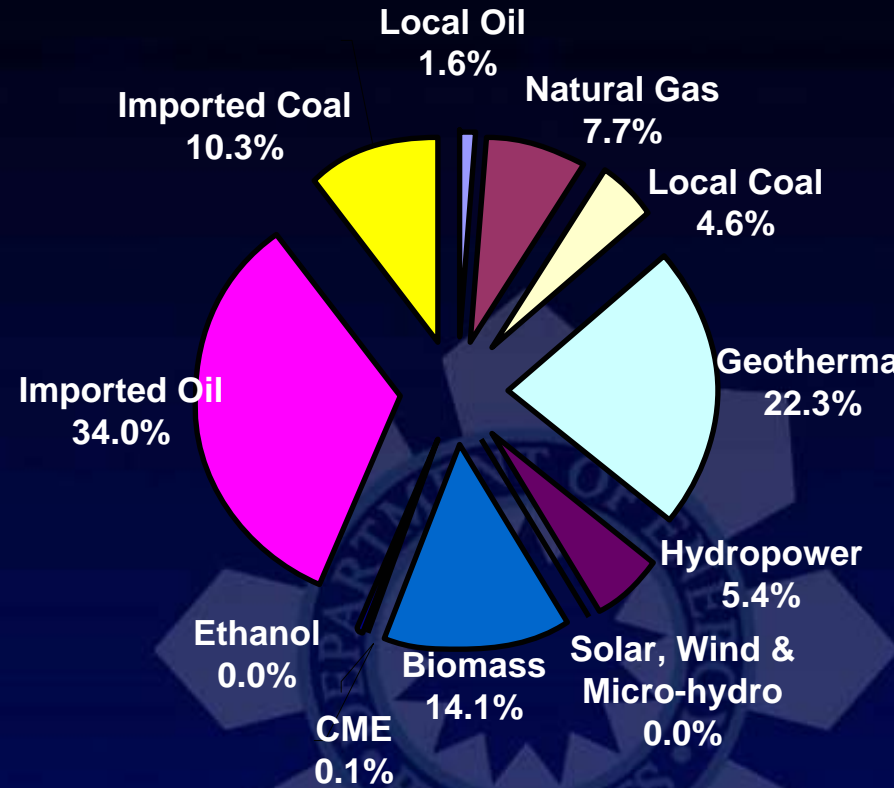
PRIMARY ENERGY MIX

2006



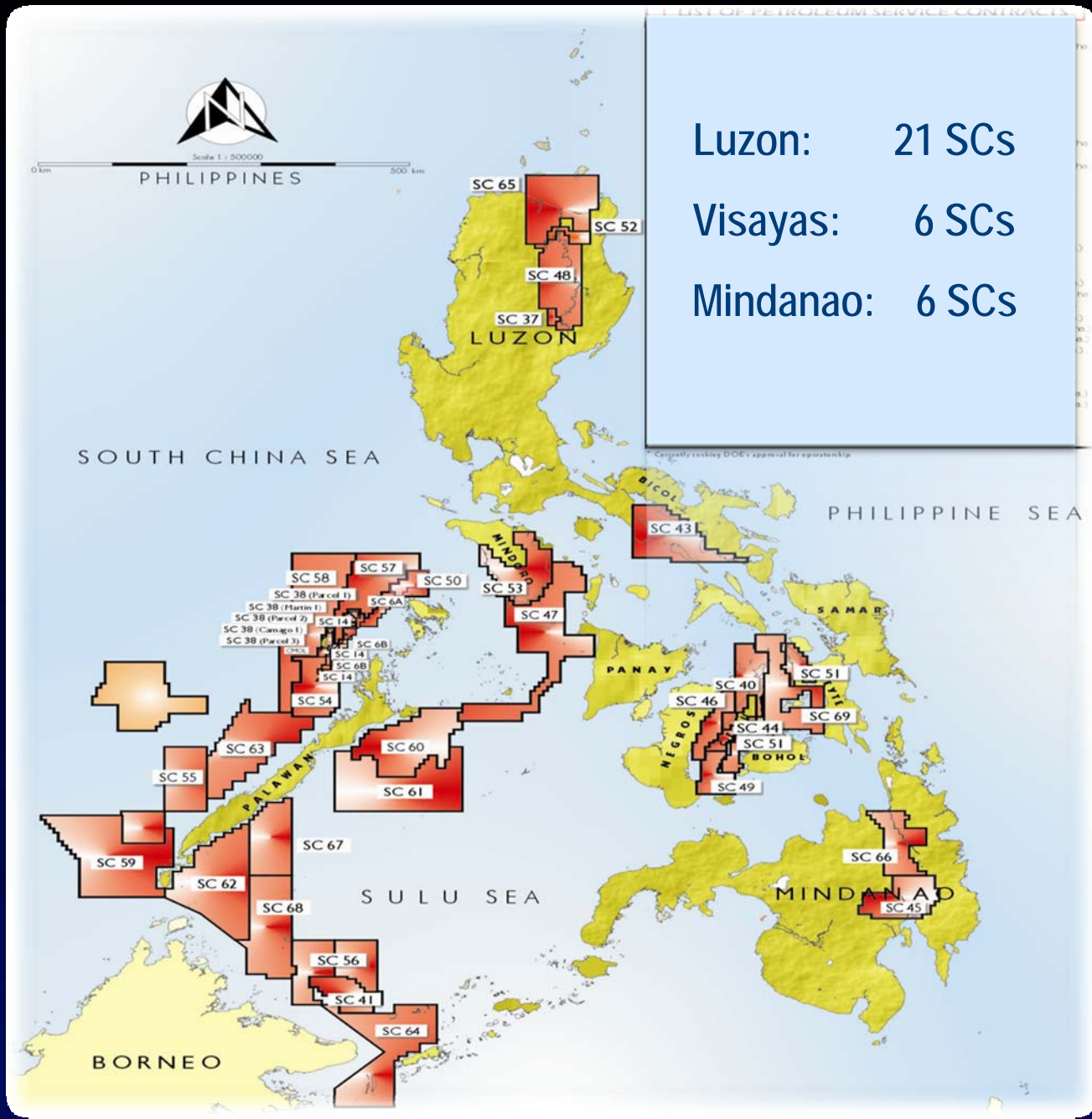
Self Sufficiency Level = 55.4%

2007

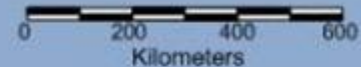


Self Sufficiency Level = 55.7%

EXISTING PETROLEUM SERVICE CONTRACTS



Coal Basins of the Philippines



POTENTIAL RESERVES:
746 Million Metric Tons

South China Sea

Philippine Sea

Spratly Islands

Sulu Sea

Celebes Sea

Luzon

Mindoro

Semirara

Visayas

Negros

Zamboanga

Mindanao

Cagayan Valley

Potillo - Batan - Catanduanes

Masbate

Samar - Leyte

Cebu

Surigao

Davao

Cotabato - Sarangani

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

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

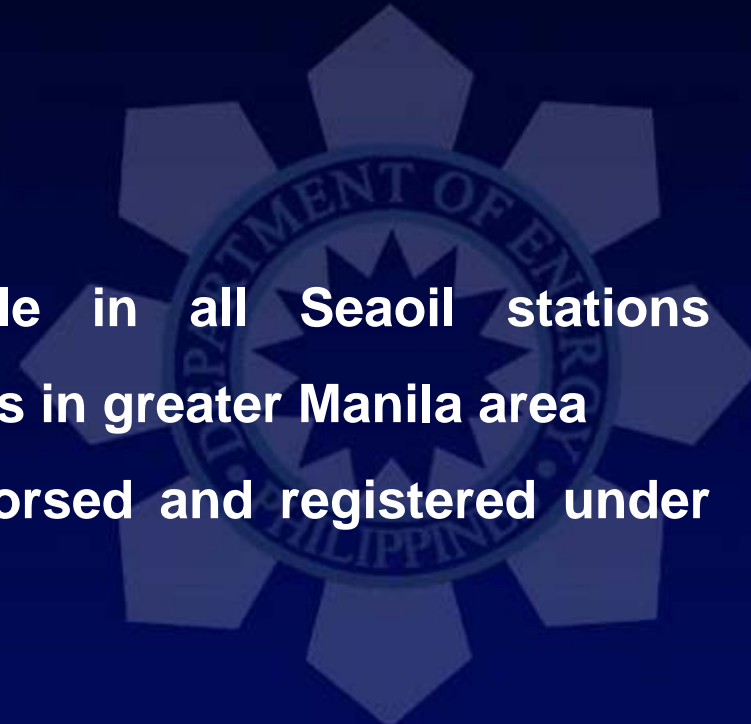
- Signing of Republic Act 9367
or the Biofuels Act of 2006

Biodiesel

- Production capacity @ 302.62 million liters
- Mandated 1% biodiesel blend in May 2007

Bioethanol

- Mandated 5% ethanol blend in 2009
- Voluntary 10% ethanol blend available in all Seaoil stations nationwide, 55 Shell and 14 Petron stations in greater Manila area
- 5 Ethanol production plant projects endorsed and registered under BOI/IPP



ALTERNATIVE FUELS

AutoLPG

- 13,886 auto-LPG taxis converted
- 10 licensee auto-LPG conversion shops

CNG

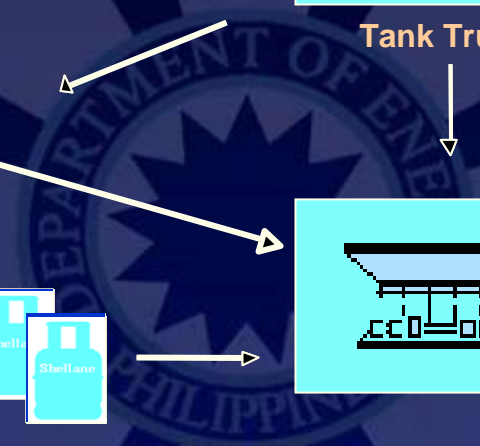
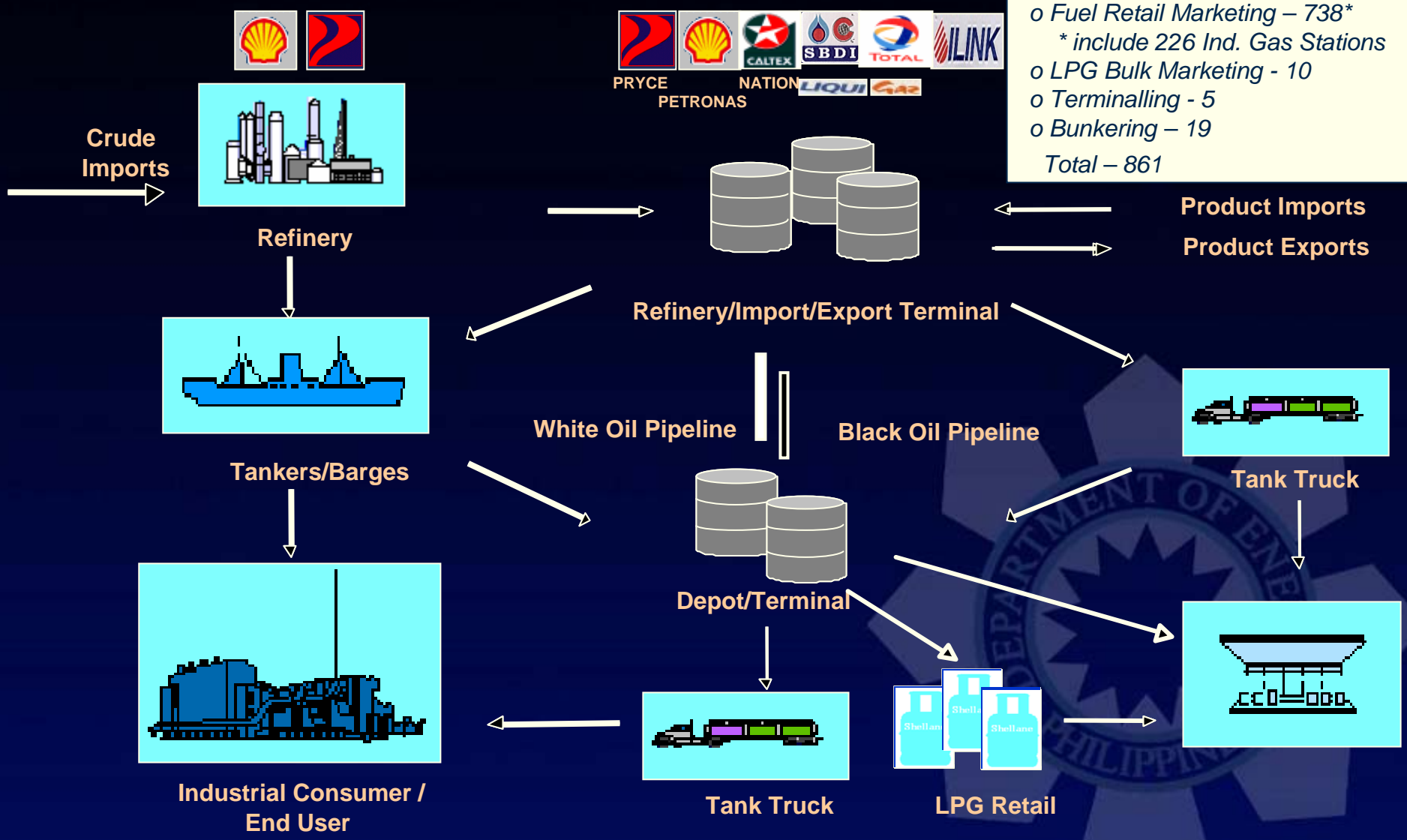
- Inauguration of CNG Mother-Daughter stations in Batangas and Laguna in October 2007
- 22 CNG buses plying along Batangas-Laguna-Manila route
- Conducted Libreng Sakay of CNG buses: 24 March - 06 April 2008



DOWNSTREAM OIL SECTOR

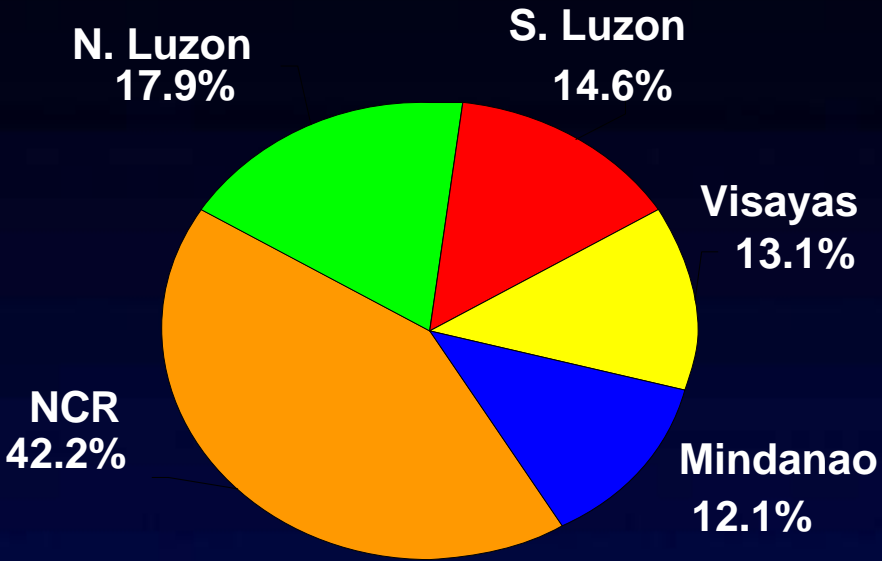
No. of Players per Activity

- 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

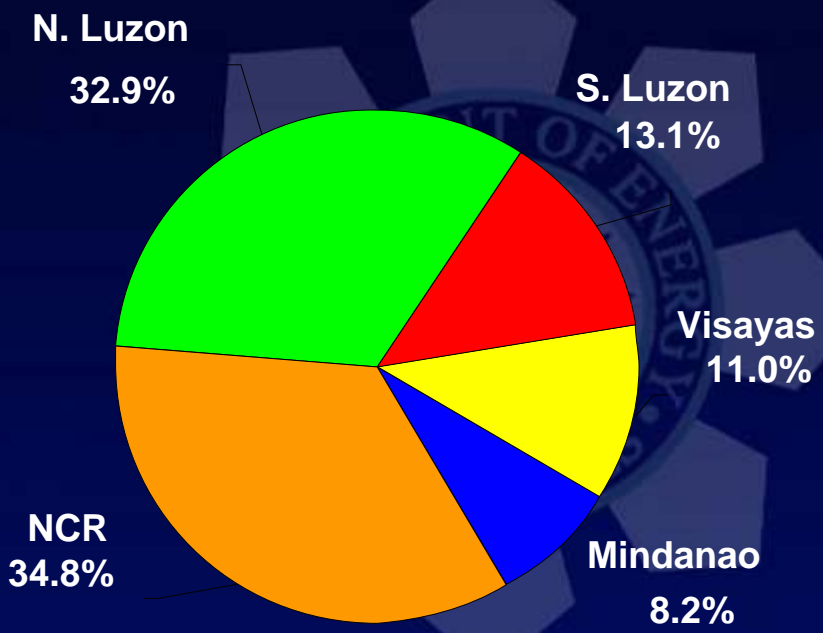


FY 2007 PETROLEUM PRODUCTS IN THE PHILS.

REGIONAL DEMAND SHARE (Total)



LPG SECTOR

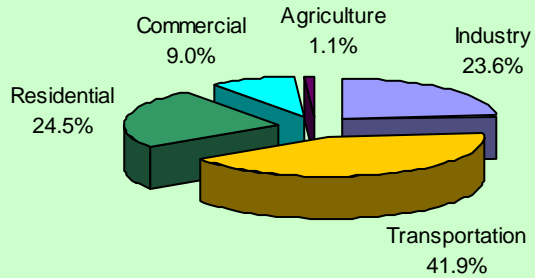


Energy Demand Outlook



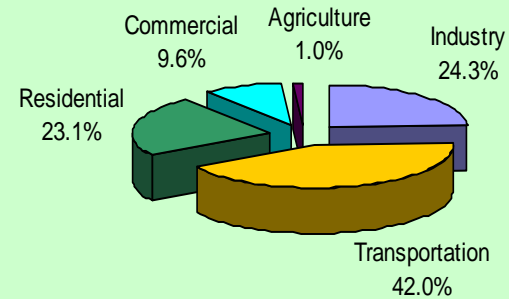
TOTAL ENERGY DEMAND

2010



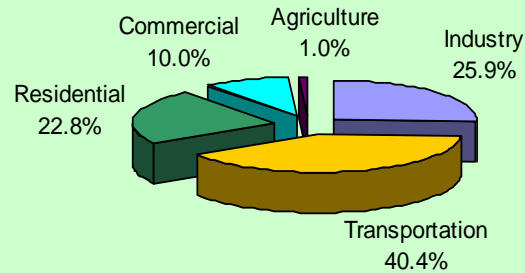
Total Energy Demand - 28.07 MTOE

2020



Total Energy Demand - 39.67 MTOE

2030

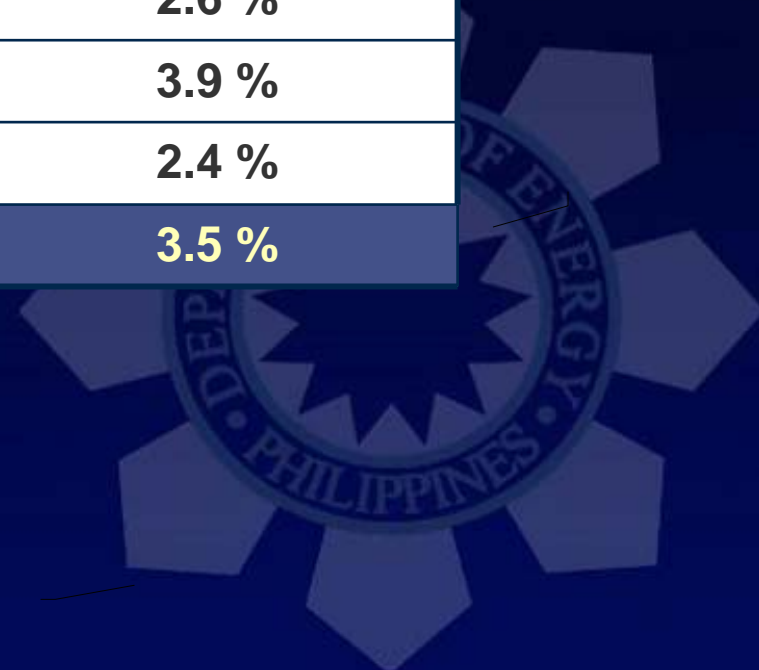


Total Energy Demand - 51.31 MTOE



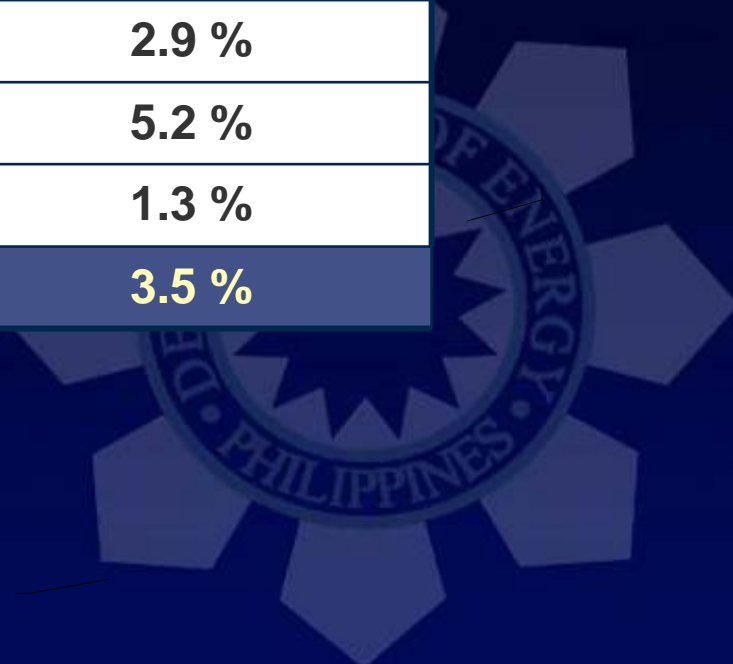
TOTAL ENERGY DEMAND BY SECTOR

Sector	Share	AAGR
Transportation	41.58	3.8 %
Industry	24.46	3.8 %
Residential	23.40	2.6 %
Commercial	9.54	3.9 %
Agriculture	1.01	2.4 %
TOTAL	100.00	3.5 %

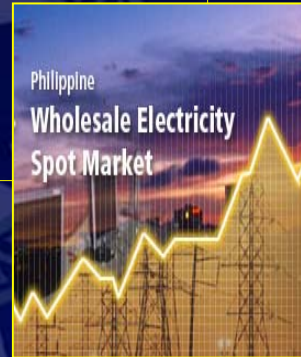
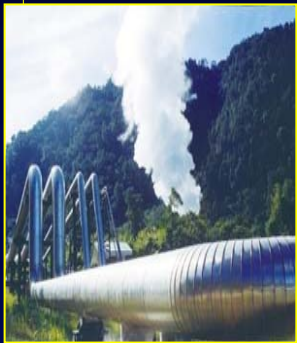


TOTAL ENERGY DEMAND BY FUEL

Fuel Type	Share	AAGR
Oil	54.12	3.6 %
Coal	5.66	4.2 %
Natural Gas	0.23	2.9 %
Electricity	22.12	5.2 %
Biomass	17.86	1.3 %
TOTAL	100.00	3.5 %



Strategic Actions of the Energy Sector



THE IDEAL ENERGY STATE TOWARDS 2030



**Ensuring the
best energy
choices
to empowered
Filipinos
for a better
quality of life.**

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



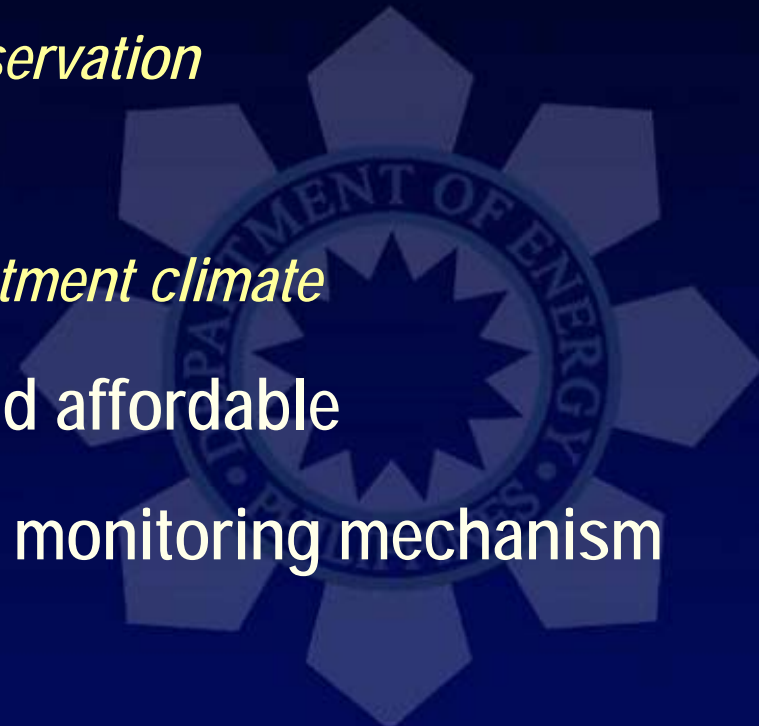
POLICY THRUSTS

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*
- ❖ *Attain nationwide electrification*
- ❖ *Maintain a competitive energy investment climate*

2. Make energy prices reasonable and affordable

3. Implement social mobilization and monitoring mechanism

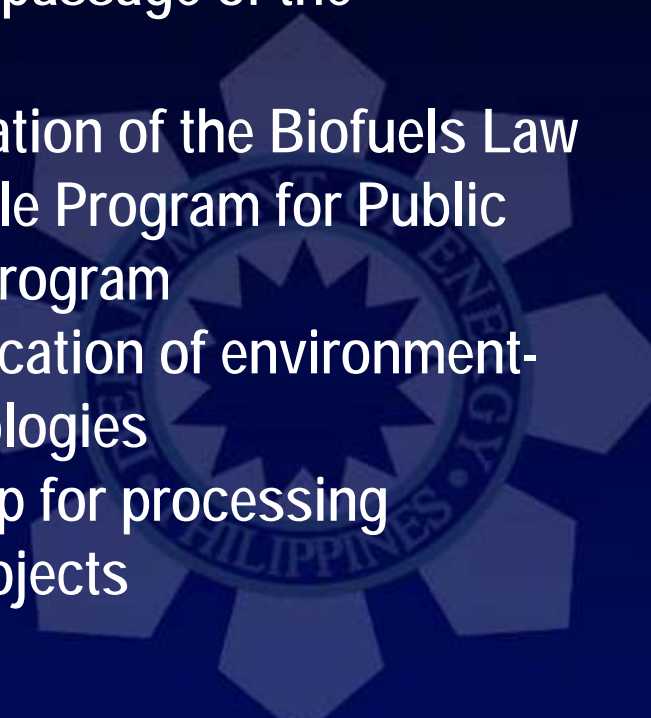


STRATEGIC ACTIONS

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-Illaw” Program
- ✓ Develop/Promulgate/Implement, together with DTI-BPS, a Minimum Energy Performance Standards to phase out the least efficient lamps in the market by 2009
- ✓ 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

❖ *Attain Nationwide Electrification*

- ✓ Accelerate Expanded Rural Electrification Program
 - Achieve 100% barangay electrification by 2009
 - Energize remaining 1,282 unelectrified barangays
 - Intensify household electrification
- ✓ Pursue Private Sector Participation in Rural and Missionary Areas
 - Continue offer of NPC-SPUG areas to New Private Power Providers
 - Operationalize Public-Private Partnership Programs (e.g., QTP Program)



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

1. Ensure stable and quality supply of energy

❖ *Nuclear Power as a long-term energy option*

- ✓ Enhance human resource capacity building
- ✓ Option for Philippine Nuclear Power Plant-1 (PNPP-1)



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

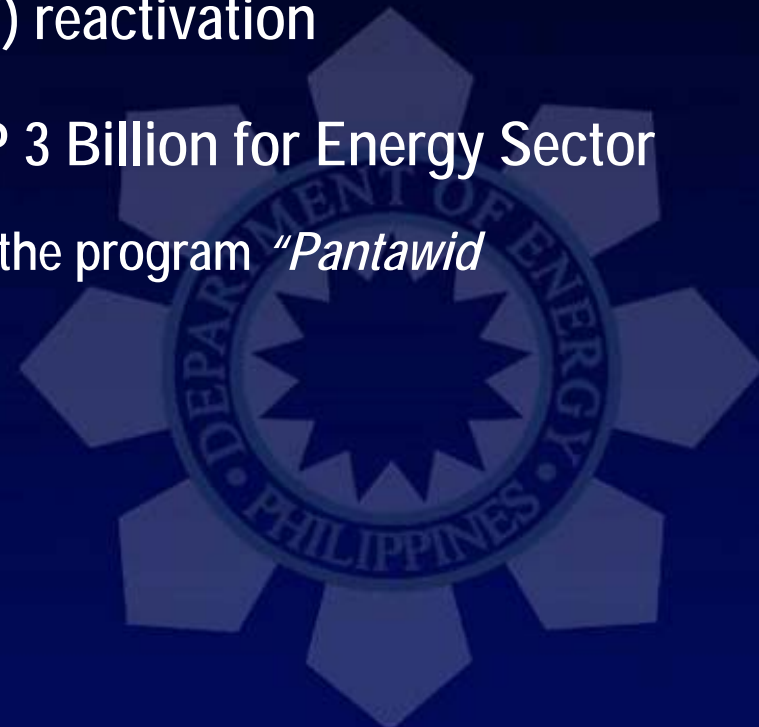
2. Make Energy Prices Reasonable and Affordable

❖ Mitigate the effects of oil price increases

- ✓ Zero percent tariff rate effective 01 June 2008 from a 3.0 percent rate
- ✓ Energy Contingency Task Force (ECTF) reactivation

“Katas ng Vat” (Initially P4 Billion) – P 3 Billion for Energy Sector

- MOA signed between DSWD and NEA on the program *“Pantawid Kuryente: Katas ng VAT”*
- Palit-Ilaw (SWITCH)
- Engine Conversion to LPG/CNG



STRATEGIC ACTIONS

3. Implement social mobilization and monitoring mechanism

- ✓ Launched the SWITCH Movement (16 July 2008) with five (5) initial areas of focus :
 1. Switch from inefficient to efficient energy practices-starting with lighting- in workplaces, buildings, homes and public places
 2. Switch from petroleum-based fuels to alternative fuels and cleaner technologies in the transport sector
 3. Switch from kerosene to renewable energy sources for lighting and basic electricity in remote rural areas
 4. Switch from fossil fuel-based technologies to renewable energy technologies in power generation, where feasible at the local level
 5. Switch from vestiges of centralized energy planning to more participative, bottom-up energy planning at the local level

**MARAMING
SALAMAT**

