

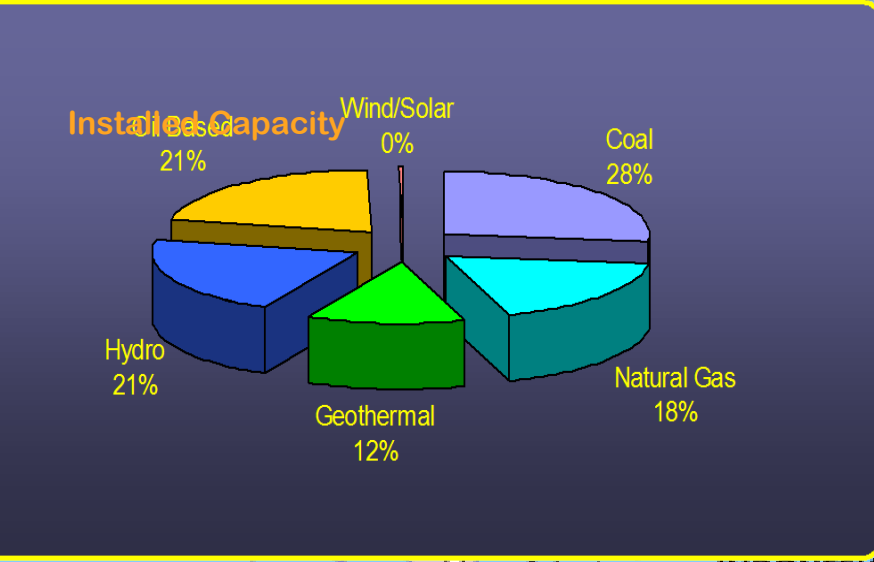
Progress and Challenges in the Energy Efficiency and Conservation Program of the Philippines

A Presentation by:
Alvin Jones M. Ortega
Energy Regulatory Commission

Global Energy Efficiency Workshop
March 8, 2010
US Energy Association / Energy Utility Partnership Program
Washington, DC



Grid	Installed Capacity (MW)	Dep. Capacity (MW)	Peak Demand (MW)
Luzon	11,907	9,838	6,674
Visayas	1,832	1,494	1,176
Mindanao	1,933	1,682	1,204
Total	15,672	13,014	*9,054





EPIRA

ELECTRIC POWER INDUSTRY REFORM ACT

June 26, 2001
EPIRA

Open Access &
Retail Competition

➤ Restructuring



➤ Privatization

THE FOUR SECTORS



Generation

➤ **Competitive**



Transmission

➤ **Regulated**



Distribution

➤ **Regulated**



Supply

➤ **Competitive**

Chapter IV

Regulation of the Electric Power Industry

Section 38. *Creation of the Energy Regulatory Commission.* There is hereby created an **independent, quasi-judicial regulatory body** to be named the Energy Regulatory Commission (ERC). Xxx

Section 43. *Functions of the ERC.* The ERC shall promote competition, encourage market development, ensure customer choice and discourage/penalize abuse of market power in the restructured electricity industry. xxx

Chapter I

Declaration of Policy

Section 2. *It is hereby declare the policy of state to:*

Xxx

(k) to encourage the efficient use of energy and other modalities of demand side management

What we need to know...

- **What were the Philippines' policy drivers in promoting energy efficiency and conservation?**
- **What is currently happening?**
- **What are the barriers?**
- **What have we learned?**
- **What we still want to achieve?**

What were the policy drivers for promoting energy efficiency...

- **The Philippines dependence on imported fuels**
- **Deregulation of the energy sector**
 - Oil industry in 1998
 - Power industry in 2001
 - Reduction in subsidies in energy
- **Climate change considerations**

Background of Philippine Energy Efficiency Program

- **Late 1980's the Philippines passed an energy conservation law**
- **Executive Issuances:**
 - In 2004 , "Directing the Institutionalization of a Government Energy Management Program (GEMP)"
 - "Directing the Continued Adoption of Austerity Measures in the Government"
 - In 2005, "Providing for Adjusted Official Hours in Government-Owned and Controlled Corporations"

What is currently happening...

The National Energy Efficiency and Conservation (EE & C) Program



The National Energy Efficiency and Conservation (EE & C) Program

- Information, Education and Communication
 - Workshop on Fuel Conservation and Efficiency
 - Fuel Economy Run
 - Publications / Website
- Advisory Services for Major Industries and Commercial Buildings
- Alternative Fuels and technologies
- Energy Labelling & Efficiency Standards

EE&C Program

- Government Energy Management Program
- Heat Rate Improvement in Power Plants
- Systems Loss Reduction in Distribution Lines

- **ADB provided a \$31.1M loan**
- **Energy Efficiency projects:**
 - Efficient lighting;
 - Efficiency in buildings and industries; and
 - Communication and social mobilization

PEEP – Efficient Lighting

- distribution of 13M CFLs;
- retrofitting of government office buildings; and
- energy efficiency testing and lamp waste management facility





PEEP – Efficient Buildings

- Establishment of a Super ESCO
- Accelerate the implementation of a single building rating system

- Awareness campaign activities to promote:
 - **Efficient lighting**
 - **Energy efficiency in everyday life**

- In 1995, DOE Circular “Instituting DSM by Electric Utilities”
- In 1996, ERB’s “Framework for DSM in the Philippines”
- EPIRA of 2001, ERC to act on applications for cost recovery and return on DSM projects
- Since then, no DSM application

What have we learned...

- **Economic growth vs. energy consumption**
- **EE/EC responds to higher prices**
- **Wealth of international and local experiences in EE/EC**
- **Policy + Institution + financing = EE/EC**
- **The human factor in EE/EC**



What are the barriers...

- **Clear policy and mandates;**
- **Resources;**
- **Commitment**

What we still want to achieve..

- **Continue and expand EE&C and DSM programs**
 - data gathering and analysis
 - government to lead by example
 - adapt effective measures to the local situation
- **Review current policy and regulatory framework**
- **Strengthen and support institutions**
- **Provide adequate information to various sectors**

Who will make sure this happen and will look after the consumers' interest?

VISION:
**Asia's benchmark for excellence
in power regulation.**

MISSION:

**The Energy Regulatory Commission
promotes and protects
the long-term consumer interests
in terms of quality, reliability, and reasonable pricing
of a sustainable supply of electricity.**

THANK YOU!

ERC
towards a brighter future
ENERGY REGULATORY COMMISSION • PHILIPPINES

www.erc.gov.ph

References:

- **Philippine Department of Energy**