

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

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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...

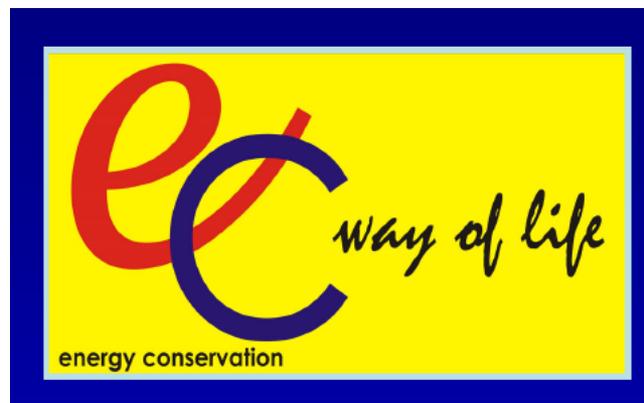
- **The Philippines dependence on imported fuels**
- **Deregulation of the energy sector**
 - Oil industry in 1998
 - Power industry in 2001
 - Reduction in subsidies in energy
- **Climate change considerations**

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
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References:

- **Philippine Department of Energy**