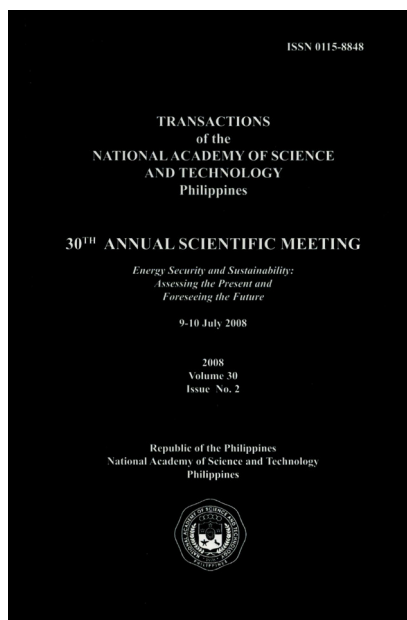


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Challenges in the Philippines' Energy Sector – A Discussion

Benjamin S. Austria

Chair, Energy Committee
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Challenges in the Energy Sector

CHALLENGES IN THE PHILIPPINES' ENERGY SECTOR – A DISCUSSION

Benjamin S. Austria

Chair, Energy Committee

Philippine Chamber for Commerce and Industry

I congratulate Dr. Francisco Viray for the focused, yet comprehensive, presentation on the “Challenges in the Philippines’ Energy Sector”. It provides an excellent paper to start this Annual Scientific Meeting of the Academy centered on a very current and relevant topic, namely, *Energy Security and Sustainability*.

Indeed, energy is essential not only to economic and business activities but to all aspects of modern living. Hence the growing concern over the surging price of oil and its impact on economic growth and public welfare. Even before this current situation, the Philippine Chamber of Commerce and Industry (PCCI) has consistently recognized the role of sustainable energy, as elucidated in the paper of Dr Viray, in promoting competitiveness of domestic enterprises¹. Hence, the PCCI has been organizing fora and discussion groups on “How to Make the EPIRA Work for the Economy” (EPIRA refers to the Electric Power Restructuring Act of 2001), PCCI continues to provide inputs in the crafting of energy legislation, in the formulation of implementing rules and regulations and as well comments on the implementation of energy policy.

¹ Alejandro, Jose S. and Benjamin S. Austria, 2006, The Implications of High Energy Costs on the Viability of Domestic Industries. 19th Statistical Research and Training Center Annual Conference, (Program and Abstracts) 6 October 2006, Mandaluyong City, p. 7.

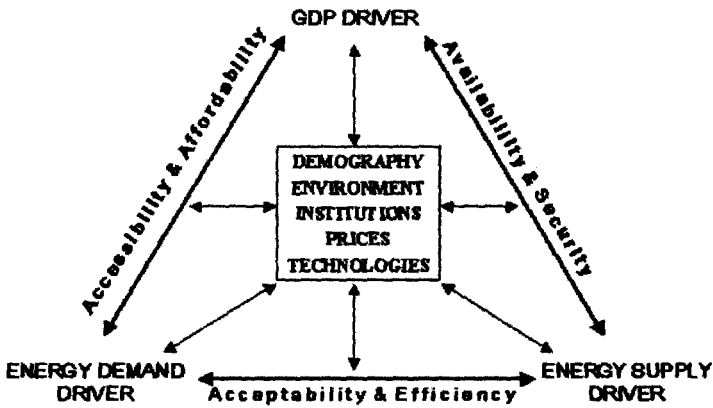


Fig. 1 Complex framework of the energy sector showing interconnections between goals, drivers and issues (from WEC 2004 Statement²).

As pointed out in the paper of Dr Viray, sustainable energy involves multidimensional factors. The complexity of the energy sector is graphically illustrated in Fig. 1 where the energy goals discussed by Dr Viray in his paper, namely availability, accessibility and acceptability are intertwined with the GDP driver, the supply and demand drivers and with factors and issues that include technologies, prices, institutions, environment and demography.

In view of the highly complex nature of the energy sector, it is crucial that policy and decision makers be aware of the implications (which may be far-reaching) of strategies, actions and developments within the sector. Thus the PCCI has been asking who is responsible for formulating strategies in the drive towards sustainable energy. This is particularly important considering the long term nature of energy projects and activities. Just recently, the PCCI has inquired on the status of the Council of Advisers on Energy Affairs, a body created by RA 7638 (The Department of Energy Act of 1992).

Besides defining energy security and sustainability and identifying the challenges in the energy sector from a Philippine perspective, Dr Viray provides a list of interventions that can be applied to meet the challenges. The proposals form an initial blueprint towards a sustainable energy future. Science and technology plays an important role in several of these interventions such as the development of domestic technologies, the search for, development

² World Energy Council, 2004, WEC Statement 2004: Reflections on the Dynamics of Oil and Natural Gas Markets. (World Energy Council: London), p. 3.

and utilization of indigenous resources and the maintenance of environmental quality.

As a geologist, I am aware of the role of this field in the search for and development of geothermal energy (an area where the Philippines is a world leader), petroleum, coal and uranium resources. Other fields of science and engineering are essential in the development not only of these energy resources but also that of renewable energy – wind, hydro, biofuels, biomass, ocean and solar. Likewise, implementation of energy efficiency programs benefit from the expertise of energy practitioners.

Turning the challenges to opportunities is realizable specially if there is cooperation between government, academe and the private sector. Let us build on and tap existing institutions with the PCCI, the Energy Council of the Philippines, the Energy Development and Utilization Foundation, Inc. (established in 1990 by the Department of Science and Technology and the Department of Energy), the Energy Professional Association of the Philippines among them. We also benefit from the wealth of knowledge, experience and expertise available in energy organizations such as the World Energy Council, the Asia Pacific Energy Research Center and the ASEAN Centre for Energy.

As a leading S&T institution, NAST can play an important role in influencing the paths to take that will lead our country to a sustainable energy future. This forum today is one step in this direction.