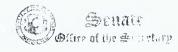
NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES *First Regular Session*

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S E N A T E P.S. RES. No. <u>49</u>

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Introduced by Senator WIN GATCHALIAN

A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE DEPARTMENT OF ENERGY'S (DOE) NATIONAL STRATEGY TO ENSURE THE COUNTRY'S ENERGY SECURITY AND SELF-SUFFICIENCY

1 WHEREAS, Republic Act No. (RA) 7638, otherwise known as the Department 2 of Energy Act (DOE) of 1992, recognizes the importance of achieving energy security 3 by ensuring a continuous and economic supply of energy through an integrated and 4 intensive exploration and development of the country's indigenous energy resources, 5 and by judiciously managing energy demand through the conservation and efficient 6 utilization of energy;

7 WHEREAS, RA 9367 otherwise known as the Biofuels Act of 2006, RA 11039 8 otherwise known as the Electric Cooperatives Emergency and Resiliency Fund Act, 9 RA 11285 otherwise known as the Energy Efficiency and Conservation Act, RA 11361 10 otherwise known as the Anti-Obstruction of Power Lines Act, RA 11697 otherwise 11 known as the Electric Vehicle Industry Development Act have all declared the policy 12 of the State to ensure a secure and reliable supply of energy, reduce reliance on 13 imported fuel, and promote the efficient and judicious local utilization of energy;

14 WHEREAS, despite the foregoing policies in place, the country, as of 2020, 15 still depends on imported energy for 47% of its primary energy supply, composed 16 mainly of only two energy sources: oil accounts for 28.4% of the total imports while 17 coal makes up 18.6%;¹

¹ Page 16. 2020 Philippine Energy Situationer & Key Energy Statistics.

WHEREAS, in the same year, the country's economy heavily consumes oil, 18 accounting for 49.4% of the country's total final energy consumption.² However, the 19 country imports 99.9% of its crude oil requirements. A significant amount of the 20 country's imported oil is sourced from the Middle East: 45.7% comes from Saudi 21 Arabia, 24.3% from Kuwait, and 1.5% each from the United Arab Emirates and 22 Qatar;3 23

WHEREAS, the country similarly depends significantly on coal for its electric 24 power generation with coal accounting for 57.1% of the country's power generation 25 mix in 2020.⁴ However, the country imports 68% of its coal requirements.⁵ The 26 country's imported coal supply is concentrated in a single country, with Indonesia 27 accounting for 96.9% of the country's total coal imports as of 2020;⁶ 28

WHEREAS, the risks posed by the Philippines' heavy reliance on imported 29 sources for its energy requirements have been highlighted by the 2016 ban by 30 Indonesia on coal shipments to the Philippines which created uncertainty in fuel 31 supply to the country's power plants,7 the sudden spike in domestic oil prices during 32 the September 2019 attacks on Saudi Arabian Oil Company's oil processing facilities 33 which temporarily crippled its oil infrastructure,8 the January 2020 US assassination 34 of an Iranian general in Irag,⁹ and the 2022 Russian invasion of Ukraine; 35

WHEREAS, the Philippines has likewise performed poorly in the latest energy 36 security and self-sufficiency indices: in the 2021 World Energy Council's Energy 37 Trilemma Index, the country scored only 58.4 out of 100 for energy security;10 the 38 country's 2016 Energy Security Risk Score in the Global Energy Institute's 39 International Energy Security Risk Index remains at 995, whereas the average 2016 40 OECD score is 846;¹¹ even by the DOE's own measure, the country's energy self-41 sufficiency has improved only by 1% from 51.6% in 2019 to 52.6% in 2020; 12 42

- ⁷ Philippine power supply jeopardized by Indonesian ban. Available at: https://www.philstar.com/headlines/2016/06/27/1597092/philippine-power-supply-jeopardized-indonesian-ban. 27 June 2016.
 ⁸ Attack on Saudi oil Exciting will affect PH Ideability Leopin. Available at: https://www.philstar.com/headlines/2016/06/27/1597092/philippine-power-supply-jeopardized-indonesian-ban. 27 June 2016.
- ³ Attacks on Saudi oil facilities will affect PH 'deeply': Locsin. Available at: https://news.abs-cbn.com/business/09/15/19/attacks-on-saudi-oilfacilities-will-affect-ph-deeply-locsin. 15 September 2019.

¹⁰ Country profile. Philippines. World Energy Council. Available at: https://trilemma.worldenergy.org/#!/country-

profile?country=Philippines&year=2021. Accessed on 23 June 2022. ¹¹ Global Energy Institute. 2018 International Index of Energy Security Risk Assessing Risk in a Global Energy Market. Page 2. 2018. ¹² Page 16. 2020 Philippine Energy Situationer & Key Energy Statistics.

² Page 25. 2020 Philippine Energy Situationer & Key Energy Statistics.

³ Page 38. 2020 Philippine Energy Situationer & Key Energy Statistics.

⁴ Page 58, 2020 Philippine Energy Situationer & Key Energy Statistics.

⁵ Latest available data from DOE available at: https://www.doe.gov.ph/coal-overview?q=energy-resources/overall-coal-statistics. Accessed on 23 June 2022.

⁶ Page 50, 2020 Philippine Energy Situationer & Key Energy Statistics.

⁹ Oil prices surge 4% after Iran military leader killed in US strike. Available at: https://cnnphilippines.com/business/2020/1/4/oil-prices-usairstrike-iran.html. 4 January 2020.

WHEREAS, while energy security is given top priority in the DOE's Strategic Focus Areas in the Philippine Energy Plan 2020-2040, it is imperative that the programs identified in the PEP 2020-2040 to ensure energy security be properly implemented;

47 RESOLVED BY THE SENATE, as it is hereby resolved, to direct the appropriate
48 Senate Committee to conduct an inquiry in aid of legislation on the country's
49 national strategy to ensure energy security and self-sufficiency

Adopted,

GATCHALIAN