



REPUBLIC OF THE PHILIPPINES

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Journal

SESSION NO. 54

Tuesday, February 12, 2008

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 54
Tuesday, February 12, 2008

CALL TO ORDER

At 3:44 p.m., the Senate President, Hon. Manny Villar, called the session to order.

PRAYER

Sen. Juan Ponce Enrile led the prayer, to wit:

Dear Lord,

During these troubled times our nation faces,
We turn to You for hope, comfort and salvation.

During these times when our government
Continues to face economic
and political hardships,
We seek Your infinite wisdom and guidance.

During these times when our people
Continue to suffer from poverty,
ignorance and destitution,
We ask for Your loving mercy and protection.

As one, we humbly seek Your presence
in our lives and in our nation.
We place our trust in You, O Lord,
Believing in Your plans to prosper us
and not to harm us.
And may all that we do and all that we say
be done for Your greater glory.

Amen.

ROLL CALL

Upon direction of the Chair, the Secretary of the Senate, Emma Lirio-Reyes, called the roll, to which the following senators responded:

Angara, E. J.	Defensor Santiago, M.
Aquino III, B. S. C	Ejercito Estrada, J.
Arroyo, J. P.	Enrile, J. P.
Cayetano, A. P. C. S.	Honasan, G. B.
Cayetano, C. P. S.	Lacson, P. M.

Lapid, M. L. M.	Roxas, M.
Legarda, L.	Villar, M.
Pangilinan, F. N.	Zubiri, J. M. F.
Revilla Jr., R. B.	

With 17 senators present, the Chair declared the presence of a quorum.

Senators Escudero, Gordon and Madrigal arrived after the roll call.

Senator Pimentel was on official mission abroad.

Senator Biazon was absent.

Senator Trillanes was unable to attend the session.

APPROVAL OF THE JOURNAL


Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session Nos. 45 (December 18, 2007), 52 (February 6, 2008), and 53 (February 11, 2008) and considered them approved.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Pangilinan acknowledged the presence of students from the La Sallian Enrichment Alternative Program (LEAP) of the De La Salle University.

Senate President Villar welcomed the guests to the Senate.

REFERENCE OF BUSINESS

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals: 

BILLS ON FIRST READING

Senate Bill No. 2057, entitled

AN ACT PROHIBITING AN ELECTIVE PUBLIC OFFICIAL FROM RESIGNING FROM HIS ELECTIVE OFFICE TO ACCEPT AN APPOINTMENT TO ANY GOVERNMENT OFFICE AND PROVIDING PENALTIES THEREFOR

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committee on Constitutional Amendments, Revision of Codes and Laws

Senate Bill No. 2058, entitled

AN ACT PROVIDING POST-HARVEST FACILITIES TO RICE FARMERS

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committees on Agriculture and Food; Public Works; and Finance

Senate Bill No. 2059, entitled

AN ACT REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES AND FOR OTHER PURPOSES

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committee on Public Services

Senate Bill No. 2060, entitled

AN ACT ESTABLISHING THE SAFE COSMETICS ACT OF 2008

Introduced by Senator Miriam Defensor Santiago

To the Committees on Health and Demography; and Trade and Commerce

Senate Bill No. 2061, entitled

AN ACT AMENDING REPUBLIC ACT NO. 8750, ALSO KNOWN AS THE SEAT BELTS USE ACT OF 1999, SECTIONS THREE AND FIVE

Introduced by Senator Miriam Defensor Santiago

To the Committee on Public Services

Senate Bill No. 2062, entitled

AN ACT DEFINING AND PENALIZING THE CRIMES OF RECKLESS ENDANGERMENT OF THE PUBLIC HEALTH AND OFFERING A FALSE STATEMENT WHICH ENDANGERS THE PUBLIC HEALTH

Introduced by Senator Miriam Defensor Santiago

To the Committees on Justice and Human Rights; and Health and Demography

Senate Bill No. 2063, entitled

AN ACT TO BAN THE USE OF FIRECRACKERS IN RESIDENTIAL AREAS

Introduced by Senator Miriam Defensor Santiago

To the Committees on Public Order and Illegal Drugs; and Local Government

Senate Bill No. 2064, entitled

AN ACT TO PROHIBIT DISCRIMINATION BECAUSE OF GENETIC INFORMATION IN HEALTH INSURANCE COVERAGE

Introduced by Senator Miriam Defensor Santiago

To the Committee on Health and Demography

RESOLUTIONS

Proposed Senate Resolution No. 298, entitled

RESOLUTION DIRECTING THE COMMITTEE ON NATIONAL DEFENSE AND SECURITY TO INVESTIGATE, IN AID OF LEGISLATION, THE ALLEGED WIRETAPPING ACTIVITIES COMMITTED BY THE KIDNAPPERS OF ZTE-NBN DEAL CONTROVERSIAL WITNESS MR. RODOLFO LOZADA, JR. PARTICULARLY ON MEMBERS OF THE SENATE SERGEANT-AT-ARMS AND POSSIBLY OF THE LEGISLATURE, WITH THE END IN VIEW OF ENACTING REMEDIAL LEGISLATION THEREIN

Introduced by Senator M. A. Madrigal

To the Committees on Justice and Human Rights; and National Defense and Security

Proposed Senate Resolution No. 299, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED OVERPRICING OF THE USD\$932-MILLION SOUTHRAIL PROJECT, WITH THE END IN VIEW OF DETERMINING THE ACCOUNTABLE PUBLIC OFFICIALS AND FOR THE PURPOSE OF AMENDING THE GOVERNMENT PROCUREMENT REFORM LAW, BOT LAW, AND ODA LAW

Introduced by Senator MAR Roxas

To the Committees on Accountability of Public Officers and Investigations; and Finance

COMMITTEE REPORT

Committee Report No. 37, submitted jointly by the Committees on Ways and Means; and Public Services, on Proposed Senate Resolution No. 58, introduced by Senator Lacson, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO REVIEW THE PROPOSED REVENUE REGULATION INCREASING THE MINIMUM MONTHLY/QUARTERLY GROSS RECEIPTS IN COMPUTING THE PERCENTAGE TAX OF DOMESTIC CARRIERS AND KEEPERS OF GARAGES,

and Proposed Senate Resolution No. 74, introduced by Senator Francis "Chiz" Escudero, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON WAYS AND MEANS TO INQUIRE IN AID OF LEGISLATION INTO THE LEGALITY OF REVENUE REGULATION NO. 9-2007 ISSUED BY THE DEPARTMENT OF FINANCE UPON RECOMMENDATION OF THE BUREAU OF INTERNAL REVENUE ON 04 JULY 2007 WITH THE END IN VIEW OF ENACTING LEGISLATIVE MEASURES TO ADDRESS THE SAME,

recommending the adoption of the conclusions and recommendations of the committees.

Sponsors: Senators Francis "Chiz" G. Escudero and Enrile

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS**MESSAGES FROM THE HOUSE OF REPRESENTATIVES**

Letter from the Secretary General of the House of Representatives, informing the Senate that on 5 February 2008, the House of Representatives elected Representative Pingoy Jr. as additional conferee to the Bicameral Conference Committee on the disagreeing provisions of House Bill No. 2844, entitled

AN ACT PROVIDING FOR CHEAPER MEDICINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8293 OR THE INTELLECTUAL PROPERTY CODE, REPUBLIC ACT NO. 6675

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OR THE GENERICS ACT AND REPUBLIC ACT NO. 5921 OR THE PHARMACY LAW, AND FOR OTHER PURPOSES,

and Senate Bill No. 1658, entitled

AN ACT TO PROVIDE FOR QUALITY AFFORDABLE MEDICINES.

To the Committee on Rules

Letters from the Secretary General of the House of Representatives, informing the Senate that on 5 February 2008, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 100, entitled

AN ACT PROHIBITING THE USE OF THE WORDS "MUSLIM" AND "CHRISTIAN" IN MASS MEDIA TO DESCRIBE ANY PERSON SUSPECTED OF OR CONVICTED FOR HAVING COMMITTED CRIMINAL OR UNLAWFUL ACTS, AND PROVIDING PENALTIES FOR VIOLATION THEREOF

To the Committee on Public Information and Mass Media

House Bill No. 2420, entitled

AN ACT AMENDING ARTICLE 75 OF TITLE IV OF EXECUTIVE ORDER NO. 209, AS AMENDED BY EXECUTIVE ORDER NO. 227, OTHERWISE KNOWN AS THE FAMILY CODE OF THE PHILIPPINES

To the Committees on Youth, Women and Family Relations; and Constitutional Amendments, Revision of Codes and Laws

House Bill No. 2811, entitled

AN ACT PENALIZING ANY ADVERTISING AGENCY, TELEVISION OR RADIO STATION AND PUBLICATION WHICH EXPLOIT WOMEN AND GLORIFY SEXUAL VIOLENCE IN ITS ADVERTISEMENTS

To the Committee on Public Information and Mass Media

House Bill No. 3305, entitled

AN ACT PROHIBITING AND PENALIZING THE PRODUCTION, PRINTING, PUBLICATION, IMPORTATION, SALE, DISTRIBUTION AND EXHIBITION OF OBSCENE AND PORNOGRAPHIC MATERIALS, AND THE EXHIBITION OF LIVE SEXUAL ACTS, AMENDING FOR THE PURPOSE ARTICLE 201 OF THE REVISED PENAL CODE, AS AMENDED

To the Committees on Justice and Human Rights; and Public Information and Mass Media

and House Bill No. 3323, entitled

AN ACT ALLOWING FILIPINO WORLD WAR II VETERANS TO CONTINUE RECEIVING PHILIPPINE GOVERNMENT PENSIONS AND BENEFITS NOTWITHSTANDING SIMILAR PENSIONS AND BENEFITS PROVIDED BY THE UNITED STATES GOVERNMENT, THEREBY AMENDING REPUBLIC ACT NO. 6948, AS AMENDED

To the Committee on Rules

BILL ON FIRST READING

Senate Bill No. 2065, entitled

AN ACT PROHIBITING THE MANUFACTURE, IMPORTATION, SALE AND USE OF INCANDESCENT LIGHT BULBS, PRESCRIBING A PHASE-OUT PERIOD AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES

Introduced by Senator Juan Miguel F. Zubiri

To the Committees on Trade and Commerce; and Energy

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RESOLUTIONS

Proposed Senate Resolution No. 300, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE THAT IT WAS ILL-ADVISED FOR THE TAIWANESE PRESIDENT TO VISIT THE SPRATLY ISLANDS WHEN THE ISLANDS HAVE ALREADY BEEN DECLARED AS A ZONE OF PEACE AND COOPERATION BY THE ASEAN AND THE PEOPLE'S REPUBLIC OF CHINA, AND URGING ALL PARTIES TO EXERCISE PRUDENCE AND SELF-RESTRAINT IN THE CONDUCT OF ACTIVITIES THAT WOULD COMPLICATE OR ESCALATE DISPUTES AND AFFECT PEACE AND STABILITY IN THE REGION

Introduced by Senator Miriam Defensor Santiago

To the Committee on Rules

Proposed Senate Resolution No. 301, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE TO HONOR THE LIFE OF FR. REY RODA, OMI, AND HIS CONTRIBUTIONS TO BETTER THE LIVES OF HIS PARISHIONERS IN TABAWAN, TAWI-TAWI, AND TO CONDEMN HIS SENSELESS KILLING

Introduced by Senator Miriam Defensor Santiago

To the Committee on Rules

Proposed Senate Resolution No. 302, entitled

RESOLUTION DIRECTING THE SENATE BLUE RIBBON COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED OVERPRICING OF THE SOUTHRAIL PROJECT, REHABILITATING THE RAILWAY SYSTEM FROM MANILA TO BICOL, WITH THE END IN VIEW OF PROVIDING REMEDIAL LEGISLATION THAT WILL FURTHER STRENGTHEN THE PERTINENT

PROVISIONS OF REPUBLIC ACT NO. 9184 OR THE GOVERNMENT PROCUREMENT REFORM ACT, AND REPUBLIC ACT NO. 3019 OR THE ANTI-GRAFT AND CORRUPT PRACTICES ACT

Introduced by Senator Lacson

To the Committees on Accountability of Public Officers and Investigations; and Finance

Proposed Senate Resolution No. 303, entitled

RESOLUTION CREATING AN OVERSIGHT COMMITTEE ON CLIMATE CHANGE TO MONITOR AND OVERSEE THE COUNTRY'S COMPLIANCE WITH INTERNATIONAL COMMITMENTS ADDRESSING GLOBAL WARMING

Introduced by Senator Loren Legarda

To the Committee on Rules

COMMUNICATIONS

Letter from Assistant Governor and General Counsel Juan De Zuniga Jr. of the *Bangko Sentral ng Pilipinas*, dated January 25, 2008, furnishing the Senate with certified copies of BSP Circular No. 599, series of 2008, dated January 16, 2008, and Circular Letter No. CL-2008-007, dated January 21, 2008, in compliance with Section 15(a) of Republic Act No. 7653 (The New Central Bank Act).

To the Committee on Banks, Financial Institutions and Currencies

Annual Accomplishment Report of the Philippine National Police for the year 2007.

To the Committee on Public Order and Illegal Drugs

SECOND ADDITIONAL REFERENCE OF BUSINESS**COMMITTEE REPORT**

Committee Report No. 38, prepared and submitted jointly by the Committees on Justice and Human

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Rights; and Constitutional Amendments, Revision of Codes and Laws, on Senate Bill No. 2066, with Senators Jinggoy Ejercito Estrada, Loren Legarda, Miriam Defensor Santiago, Manny Villar, Francis "Chiz" G. Escudero and Gordon as authors thereof, entitled

AN ACT AMENDING ARTICLE 341 OF REPUBLIC ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE,

recommending its approval in substitution of Senate Bill Nos. 497, 694, 937, 1836 and 1886.

Sponsors: Senators Francis "Chiz" G. Escudero and Gordon

To the Calendar for Ordinary Business

APPROVAL OF SENATE BILL NO. 1965 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Senate Bill No. 1965, printed copies of which were distributed to the senators on February 6, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, Secretary Reyes read only the title of the bill, to wit:

AN ACT DECRIMINALIZING VAGRANCY AMENDING FOR THIS PURPOSE ARTICLE 202 OF ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Defensor Santiago
Aquino	Ejercito Estrada
Arroyo	Enrile
Cayetano (A)	Escudero
Cayetano (P)	Honasan

Lacson	Roxas
Legarda	Villar
Pangilinan	Zubiri
Revilla	

Against

None

Abstention

None

With 17 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 1965 approved on Third Reading.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Pangilinan acknowledged the presence of former Quezon City Congressman Dante Liban and Councilor Bolet Banal.

Senate President Villar welcomed the guests to the Senate.

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 36 on Senate Bill No. 2046 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 36 ON SENATE BILL NO. 2046

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2046 (Committee Report No. 36), entitled

AN ACT PROMOTING AND ENHANCING THE DEVELOPMENT, UTILIZATION AND COMMERCIALIZATION OF RENEWABLE ENERGY RESOURCES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Pangilinan, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate. *M*

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The Chair recognized Senator Defensor Santiago for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR DEFENSOR SANTIAGO

Senator Defensor Santiago delivered the following sponsorship speech on Senate Bill No. 2046:

THE RENEWABLE ENERGY ACT

Our Committee on Energy has the honor to recommend for Senate's approval of Committee Report No. 36 on Senate Bill No. 2046, with a short title "Renewable Energy Act of 2008."

This is an extraordinary bill. It was filed by no less than nine authors – Senators Angara, Pia Cayetano, Defensor Santiago, Ejercito Estrada, Gordon, Lapid, Legarda, Revilla, and Zubiri. It was referred to no less than five committees – normally, the Rules provide a bill should be referred only to two – Energy; Environment and Natural Resources; Ways and Means; Finance; and Public Services.

The scope of renewable energy

There is no internationally accepted definition yet of what renewable energy is. But renewable energy (RE) is energy which comes from a source not depleted by use, constantly replenished, and never runs out. In other words, renewable energy is energy that is infinite, not like oil that is finite because once oil reserves under the earth are exhausted, you cannot get oil anymore. Today, renewable energy has become a favorite subject of legislation in countries all over the world because of the following exciting functions:

- ◆ Contributes to world energy supply security;
- ◆ Reduces dependence on fossil fuel resources; and
- ◆ Provides opportunities for mitigating greenhouse gases.

According to the International Energy Agency – which operates within the framework of the Organization for Economic Cooperation and Development – renewables include the following categories:

- ◆ Combustible renewables and waste, such as: solid biomass, consisting of wood and solid waste; charcoal; biogas; liquid biofuels; and municipal waste produced

by the residential, commercial, and public service sectors and incinerated in specific installations;

- ◆ Hydropower, from water;
- ◆ Geothermal, from within the crust of the earth, such as hot water or steam;
- ◆ Solar from the sun;
- ◆ Wind, from wind turbines; and
- ◆ Tide, wave, or ocean energy – from tidal movement, wave motion, or ocean current.

According to the U.S. National Renewable Energy Laboratory, we could add one more category of renewable energy — hydrogen, the most abundant element on earth when it is separated from another element with which it has combined.

Renewable energy has become the buzzword of the day, *usung-uso ngayong magsalita ng tungkol sa renewable energy* because its potential for use is very large, exceeding all other readily available sources. *Biro mo, kung magka-renewable energy tayo, kailanman hindi na tayo mangangambang mawalan ng oil o langis mula sa ibang bansa. Magiging mayaman na mayaman na tayo at hindi na palaging tinatakot ng ibang bansa.* The market is growing. Wind power is widely used in Europe and in the USA. Photovoltaic power plants are particularly popular in Germany. Solar thermal power stations operate in the USA and Spain. The world's largest geothermal power installation is The Geysers in California. Brazil has one of the largest renewable energy programs in the world, involving production of ethanol fuel from sugarcane.

All of these are large-scale projects. But renewable technologies are also suited to off-grid applications, even in rural and remote areas. *Ito ang kagandahan niya. Hindi kamukha ng kuryente na manggagaling sa langis na ang inaabot lang ay ang mga siyudad o malalaking kabayanan. Ito, maski liblib na mga pook, maaabot niya.* For example, Kenya has the world's highest household solar ownership rate. *Biro ninyo, sa Kenya sa Africa, pati mga magsasaka ay mayroong kuryente na kinukuha mula sa araw — the power of the sun.* In all, investment capital flowing into renewable energy climbed from \$80 billion in 2005 to a record \$100 billion in 2006.

The Philippine government supports increasing renewable energy legislation, incentives, and commercialization, for the familiar reasons of climate change, high oil prices, and peak oil. *AS*

Our present bill aims to boost the renewable market, by making its cost efficiency competitive with other energy sources. *Kaya kinakailangan itong panukalang batas para mabigyan ng ating gobyerno at hindi na siya masyadong mahal. Hindi natin ngayon ginagamit ang renewable energy dahil napakamahal kumuha nitong uri ng energy. Kung tutulungan lamang ng gobyerno, 'di lahat tayo ay makikinabang sa renewable energy at hindi na tayo biktima ng pagtaas ng presyo ng langis, pagtaas ng presyo ng sasakyan at pagtaas ng lahat na bagay sa ating lipunan.* The renewable energy market could increase fast enough to replace and initiate the decline of fossil fuel dominance. Renewables are gaining credence among private investors as having the potential to grow into the next big industry.

Rationale for the Renewable Energy Bill

Senate Bill No. 2046, officially titled "An Act Promoting and Enhancing the Development, Utilization, and Commercialization of Renewable Energy Resources," is the country's legislative response to threats to our energy security, economy, environment, and community health.

A. Threats to the Philippines' energy security

In 1973, the Saudi Arabian oil, a benchmark in OPEC pricing, went from US\$ 2.59 per barrel to US\$ 11.65 per barrel.

Naalala ninyo noong 1973, this plunged the whole world into a global crisis that led to the rationing of fuel. The shortage of gasoline affected production, non-energy prices, and national employment. For the first time in history, energy was recognized as a national security concern.

Ang mga national security concern ay hindi lamang tungkol sa "baka dumating ang mga kalaban nating mga sundalo galing sa ibang bansa" kung hindi kalakip na pala ang energy – saan natin kinukuha ang energy.

Today, the international price of crude oil has reached unprecedented levels, hitting US\$100 per barrel. This has profound implications on the local economy as this will surely impact the vulnerable sectors in our society including the transport and energy-intensive factories and ultimately the ordinary citizens.

Oil price is predicted to continue to rise. *Tataas pa pala!* It may even reach, according to some, US\$200 per barrel. The continuing rise of fuel prices threatens the security of our country,

if we cannot stop our dependence on imported fuels.

B. Threats to Philippine economy

Energy prices, particularly fuel oil and electricity rates in our country, are one of the highest in the whole world! *Tandaan natin iyan, huwag kalimutan: ang binabayad natin sa kuryente ay isa sa pinakamataas sa buong mundo.* This threatens our economy, of course!

Annual reports of several countries in 2002 have shown that Filipino households pay higher for every kilowatt hour of electricity compared to New Zealand, Finland, Germany, Greece, USA, Czech Republic, Poland, Korea, Thailand, Taiwan, Netherlands, Hungary, UK, Malaysia, Portugal, Denmark, Switzerland, Indonesia, Ireland, and many more countries. Filipino households pay twice as much as the households of New Zealand.

In almost all developed countries, industries enjoy much lower electricity rates. Philippine industries pay about twice, meaning two times higher than the rates in Thailand, the country that is usually compared to the Philippines because of our many similarities.

Biro mo, ang binabayad natin sa kuryente ay doble ng binabayad sa Thailand. Kung minsan, triple, kung minsan, quadruple iyong binabayad sa ibayong bansa. May mali sa ating lipunan.

For the last five years, the electricity demand of the Philippine industrial sector has been declining. This validates why many Filipinos could not find jobs here. Many industrial factories have already closed shop, and many are on the verge of closing. Many are, in fact, hesitating to put up factories in this country due to high electricity rates.

Kaya nagsara iyong mga kumpanya kung saan siguro naka-empleyo ang mga kamag-anak natin ay sa dahilan na sobrang mahal ang kuryente.

The rising of cost of electricity and petroleum products threatens our economy, and the rising cost is attributable to our dependence on imported energy.

Wala kasi tayong sariling langis kaya kung gusto nilang itaas ang presyo ng langis, tayo ngayon ang nagdurusa. Sa ngayon, sinasabi nila na tumaas ang presyo ng langis dahil may problema tayo sa supply. Napakalakas bumili ng China at India ng langis at

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humina ang produksiyon ng langis sa ibang bansa. Kung mayroon sana tayong sariling langis, wala tayong pakialam kung ano ang nangyayari sa kanila. Mayroon din tayong langis siguro sa ilalim ng Spratly Islands, ngunit maraming bansa ang nakikipag-agawan sa Spratly Islands. Mayroon tayong langis sa ilalim ng tinatawag na Mindanao Deep subalit napakalalim noon at napakahirap kunin ang langis doon.

A closer look at the profile and rates of selected countries in Asia shows that there is a link between the level of indigenous energy component in power generation and the electricity rates.

Mayroon tayong sariling likas na pagkukunan ng enerhiya. Kung ititimpla iyan sa paggawa ng kuryente sa ating bansa, at pag mas mataas ang ginagamit sa indigenous energy na galing sa atin, mas mababa ang presyo ng kuryente.

For example, in 2002, the P5.50/kWh rate to industrial consumers in the Philippines with 54% indigenous energy in the generation mix was extremely high compared to P2.65/kWh in Thailand, with 73% indigenous energy in the same year, *kasi hindi natin ginamit ang likas nating yaman na panggagalingan ng enerhiya kaya mataas ang presyo ng ating kuryente. Sa ibayong bansa, mas mataas ang proporsiyon ng likas nilang kayamanan sa enerhiya na tinitimpla nila kaya mababa ang ibinabayad nila sa kanilang kuryente.*

The same observation is true with Malaysia, China, Indonesia and Vietnam. It appears from the historical performance of these countries that their electricity rate tends to go down as they use more indigenous energy.

Since it started in June 2006, the operation of the Wholesale Electricity Spot Market o yung tinatawag na WESM, indicates that the renewables, particularly geothermal and hydropower plants, have the lowest price offers, as they always get the priority dispatch. Based on this initial operation of WESM, it may be concluded, therefore, that indigenous renewable energy will have a significant role in lowering the country's electricity rates to a level that will be affordable for ordinary households, and will make our industries globally competitive.

Renewable energy, being an indigenous energy resource, is a key to lowering the electricity rates. *Nagtatanong kayo kung papaano maibababa ang presyo ng kuryente. Ang sagot*

ay maliwanag: gamitin natin ang likas nating kayamanan. More renewable energy means a bigger share of indigenous energy in the generation mix. The more indigenous renewable energy in the generation mix, the higher the chance of lowering the rates.

We need to pass the Renewable Energy Bill in order to increase the share of indigenous resources in our energy mix. This is the shield of our country from the unpredictable and fluctuating prices of imported energy.

C. Threats to environment

Not only is our country dependent on imported energy and suffering from very high prices, our country has been hit by destructive typhoons. *Hindi bale itong mga bagyo, sanay na sanay na tayo niyan. Typhoons Milenyo, Reming, and Senyang, as we all can vividly remember, destroyed crops, houses, buildings, bridges and heavy infrastructure. Many lives and properties were lost.*

Typhoons are a familiar phenomenon for the Filipinos, as we are visited by about 25 typhoons every year *kaya parang may quota iyan. Sa bawat taon, hindi kukulang sa 25 bagyo ang dumarating sa ating bansa dahil nandito tayo, we are in the typhoon belt. What alarms us are the changes in the climatic patterns and the more destructive nature of present-day typhoons. Places that are not normally experiencing typhoons are not exempt anymore. Changes in our climate like the El Niño and La Niña phenomena are now more frequent. Global warming has caused this erratic climatic phenomena.*

Ano ang ibig sabihin ng global warming? Umiinit ang ating planeta dahil sa nasisira ang ating Arctic o North Pole na siyang nagtatanggol laban sa mga ultraviolet rays na nagpapainit ng ating planeta. Bakit nasisira at nabubutas iyong arctic top na iyan? Dahil sa tinatawag na "greenhouse gases." Saan nanggagaling iyong greenhouse gases? Kapag gumagamit ang babae ng hair spray na merong artificial propellant, may greenhouse gas kaagad. Sinisira niya iyong ating planeta, nagbabago ang ating klima, hindi natin makontrol.

Indeed, our climate has changed, and "climate change" changes everything. The earth's temperature is fast increasing, according to climate scientists. This global warming causes the sea level to rise due to ice melting in the Arctic.

Meron pa ngang mga siyentipiko na nagsasabing kung pababayaan natin itong global warming, ang mga archipelago, katulad

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ng Pilipinas, ay babahain at malulunod tayo sa Pacific Ocean.

These changes impact health, agriculture, forest, water resources, coastal areas, species and natural areas. No one will be exempt from the impact of climate change, which increases weather-related mortality, infectious diseases, and air-quality respiratory illness. Climate change impacts crop yields, as irrigation demand also varies.

What causes climate change? It is caused by the greenhouse gases such as carbon dioxide or CO₂ that are emitted in the atmosphere by power plants that burn fossil fuel to generate electricity. About 37% of all man-made carbon dioxide emissions come from power generation which is fed by fossil fuel such as coal and oil, comprising so-called non-renewable energy. Together with other countries, we can prevent the rate at which global warming is taking place, by reducing the burning of fossil fuels. This can only be accomplished by increasing renewable energy to replace fossil fuel in power generation.

Fossil fuel, *ang ibig sabihin, langis. Kaya bawasan natin ang paggamit ng langis dahil kapag ginawa nating gasoline or diesel or LPG, naglalagay tayo ng greenhouse gas at oras na napuno iyong klima ng greenhouse gas, may global warming.*

D. Threats to community health

Fossil-fuel burning in conventional energy facilities not only emits greenhouse gases affecting Mother Earth. Fossil-fuel burning in facilities like coal-fired power plants also discharge effluents such as nitrogen oxides, sulfuric oxides and air particulates that have harmful effects on the populace. This leads to substantial public health expenditures to treat diseases caused by these emissions.

The adverse impact of CO₂ (carbon dioxide), NOX (nitrogen oxide), SOX (sulfuric oxide) will be a function of:

1. The amount of avoided gas emissions; and
2. The number of population affected and whether these are within the immediate vicinity of the power plants, in the region of the plants, or are distant from the plants.

We can avoid the harmful impact of emissions from power plants by not burning fossil fuel. We can contain this harmful impact by using more renewable energy instead of non-renewable energy.

Kaya marami tayong commercials para pagandahin ang ating balat. Yumayaman sila nang yumayaman pero ganoon pa rin ang hitsura natin kasi nanggagaling iyan sa pollution. Maski anong pahid natin ng kung anong krema o lotion sa ating mukha, wala na tayong magagawa. Pinapangit na tayo ng sarili nating environment.

Main features of the Renewable Energy Bill

The Renewable Energy Bill seeks to promote the development of renewable energy resources to further reduce the country's reliance on generation systems powered by imported fuels, and to minimize exposure of the economy to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy.

The RE Bill also seeks to increase the utilization of renewable energy by institutionalizing its use, including the development of national and local capabilities in the use of renewable energy systems, by providing fiscal and non-fiscal incentives both for On-Grid and Off-Grid applications.

The incentives provided for in the RE Bill were designed to address the specific characteristics of RE technologies, which can be categorized into two main groups. The first group of renewable energy technology is classified as High Fixed Investment Cost but Low Recurring Operation and Maintenance includes solar, wind and hydro sources. The second group is Low Fixed Cost but High Operation and Maintenance, and includes geothermal and biomass. Some types of fiscal incentives aim to lower the fixed costs, while other incentives address recurring expenses.

Through the following market reforms, we expect the accelerated development of renewable energy:

Reform No. 1: Introduction of Renewable Portfolio Standard (RPS)

The bill introduces in the Philippines the so-called Renewable Portfolio Standard, or RPS, which has proven to be a cost-effective, market-based policy. RPS, which was pioneered by the Europeans, requires electricity suppliers to get an agreed portion of their energy supply from renewable energy such as geothermal, hydro, wind, solar, and biomass. It establishes certain numeric targets for generators, utilities or retail electricity suppliers. This creates competition among renewable developers to meet the targets

in a least-cost manner. The RPS is intended to encourage the development of new, environmentally beneficial resources, thereby reducing the environmental impact of power production, and contributing to the development of rural areas by creating new RE business opportunities.

Reform No. 2: Creation of Renewable Energy Market (REM)

The RE Bill also mandates the creation of the Renewable Energy Market (REM), a sub-market in the Wholesale Electricity Spot Market under EPIRA. It is designed as a support mechanism to facilitate compliance with the obligation of industry players under the RPS. The concept and rationale behind the establishment of the Renewable Energy Market is similar to that of the WESM, in the following ways:

- ◆ WESM is the market where trading of electricity as a commodity is made, while REM is the market where the trading of renewable energy certificates equivalent to an amount of power generated from renewable energy resources is done.
- ◆ The establishment of WESM facilitates a transparent and competitive market for electricity. Similarly, the creation of REM will increase demand for renewable power which may result in a decrease in renewable energy prices, leading to a competitive market for RE.
- ◆ WESM uses the concept of a “pool” where all electricity output from generators are centrally coordinated – while allowing generators, as well as consumers, to compete – to be dispatched and scheduled to meet the electricity demand in real time. REM shall also use the concept of a “pool” where RE power can be sourced by suppliers mandated to comply with RPS and, at the same time, serve as a “pool” for RE developers where they can trade their RE power.

Reform No. 3: Green Energy Option for Consumers

The bill also provides the Green Energy Option to end-users, which is tied up with retail competition under EPIRA. Under the Green Energy Option, the end-users are empowered to select their electricity requirements sourced from renewable energy resources.

Reform No. 4: Net-Metering for Renewable Energy

The RE Bill will also encourage distributed generation through the net-metering mechanism

for renewable energy. Small developers and even end-users can now develop resources that are scattered all over the country, but are too small to be considered by the traditional developers, who are always looking for bulk resources, since they want only big business. The net-metering provisions mandate the nondiscriminatory connection of distribution users, who are both consumers and producers of electricity. The bill provides that energy produced shall be subtracted from consumption, without any condition. This prohibits the distribution utilities from charging the end-user higher prices, when they draw from the grid; and lower prices, when they inject their excess production.

Reform No. 5: Transmission and Distribution Development to level the opportunity between Renewables and Non-Renewables

The RE Bill will level the opportunity for site-specific RE resources through the transmission and distribution development provision, which mandates the utilities to ensure that proposed RE facilities are included in their development plans. The highlight of this provision is the prohibition of the deep-connection charging policies in rate-making. This removes the barrier in the development of RE, as most developers shy away due to the high cost of connection charges associated with their facilities. Unlike the fossil-based power plants, like coal, which can be constructed almost anywhere, RE are normally far from the Grid. Thus, a shallow-charging policy, if applied, will reduce the connection charges for RE developers.

Reform No. 6: Smart utilization of government subsidies and universal charges for renewable energy development in off-grid areas

Through the provision of renewable energy for off-grid areas, NPC-SPUG (Single Power Utilities Group) or its successor-in-interest and/or qualified third parties are mandated to source a minimum percentage of its total annual production for missionary electrification from RE. *Ang missionary electrification – sinusubukan na bigyan ng kuryente ang mga napakalalayong lugar.* RE generation in missionary areas shall also be eligible for the provision of RE Certificates.

Reform No. 7: Reduction of government share from the proceeds of renewable energy development

Government share in RE development will be reduced to only 1.5 percent of the gross proceeds for all RE resources, except for geothermal which

shall be at least 2%. This addresses the high fixed or investment cost of RE technologies, and will encourage RE developers. The government will also waive its share from the proceeds of micro-scale projects for communal purposes and non-commercial operations. These incentives will encourage private investment in renewable energy.

Reform No. 8: Priority dispatch for intermittent RE resources

The bill also provides that generating facilities with intermittent RE resources, such as wind and ocean power, shall enjoy the benefit of priority dispatch in the WESM. This will allow the intermittent RE to inject into the grid any amount of energy that they can convert from wind and ocean, without the need to compete in the market.

Reform No. 9: Incentives for renewable energy projects and activities

The bill also provides various incentives for DOE-certified developers of renewable energy facilities. These incentives include:

- a. Value-added tax exemption and duty-free importation;
- b. Tax credit on domestic capital equipment and services;
- c. Caps on realty tax rates;
- d. Income tax holiday and exemption;
- e. Net operating loss carry-over;
- f. Accelerated depreciation;
- g. Exemption from the universal charge; and
- h. Exemption from TRANSCO's wheeling charge.

Reform No. 10: Incentives for the commercialization of locally produced renewable energy components, parts and materials

The bill provides incentives for manufacturers, fabricators and suppliers of locally produced equipment and products for renewable energy facilities. These incentives include:

- a. Tax and duty-free importation of components, parts and materials;
- b. Tax credit on domestic capital components, parts and materials; and
- c. Income tax holiday and exemption.

These incentives also address the issue of transfer of wealth. It must be emphasized that the incentives have a "sunset" provision, that is, only the first 2,500 MW of eligible RE-based plants, or imports within 20 years from the effectivity of the Act, whichever comes first, will be granted fiscal incentives.

Obligations under the bill

In order to ensure that the RE law will be effectively implemented, the RE bill mandates the government to:

- a. Create the National Renewable Energy Board to oversee the implementation of this Act;
- b. Establish the Renewable Energy Trust Fund to finance research, development, demonstration and promotion of renewable energy. This shall be funded from:
 1. Proceeds from the emission fees collected from all generating facilities;
 2. 1.5 percent of the net annual income of the Philippine Charity Sweepstakes Office;
 3. 1.5 percent of the net annual income of the Philippine Amusement and Gaming Corporation;
 4. 1.5 percent of the annual dividends remitted to the national treasury of the Philippine National Oil Company and its subsidiaries;
 5. 1.5 percent of the proceeds of the government share collected from the development and use of indigenous non-renewable energy resources; and proceeds from the fines and penalties imposed in this Act.
- c. Provide financial assistance through the government financial institutions' preferential packages for the development, utilization and commercialization of renewable energy projects; and
- d. Issue rules and regulations that will implement market reforms, regulatory standards, and fiscal and non-fiscal incentives.

Benefits of the bill

The RE Bill will accelerate the development of renewable energy in the Philippines and provide the following benefits:

- Energy security;
- Lower energy prices, particularly electricity rates;

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- Sustainable environment; and
- Healthy community.

Even in the medium term, say within ten years, it will be possible to double the capacity of RE in power generation. This will realize the goal of at least 60 percent self-sufficiency in energy. The country stands to realize significant fiscal benefits, if it decides to aggressively encourage the greater use of renewable energy in the power sector. Among these fiscal and other incentives are:

◆ *Avoided Foreign Exchange (FOREX) expenditures or fuel costs*

Typically, every 600 million kWh generated by RE-based plants means not having to import one million barrels of oil. If the Philippines could develop 2,500 MW of RE-based plants in 10 years, the country could avoid having to buy more than 100 million barrels of oil. This is estimated to save the country as much as US\$3.6 billion or almost P200 billion in fuel purchases.

◆ *Avoided social cost due to the harmful effects of conventional fossil fuel-fed power plant emissions*

With an additional 2,500 MW RE-based plants, it is estimated that the country can save almost US\$400 million or P22 billion in costs due to the harmful effects of conventional fossil fuel-fed power plant emissions on the population and the environment.

◆ *Carbon emissions trading credits*

Carbon emissions trading is a mechanism through which countries can meet obligations to reduce emissions under the Kyoto Protocol, an international agreement to which this country is a party.

Through the development of RE projects, the Philippines will be able to accumulate a pool of carbon credits which could be sold to other Kyoto Protocol participants which is estimated at US\$166 million or P9 billion for the 2,500 MW RE-based plants.

◆ *Economic gain*

Through the fiscal and non-fiscal incentives, the Philippines will experience a net benefit of as much as US\$1.2 billion or P67 billion from the creation of wealth in the economy through the 2,500 MW of RE-based plants.

◆ *Political feasibility*

RE resources are mostly located in rural or less developed areas in the country. These

resources are site-specific and this will bring socio-economic development to remote areas, with the potential of providing labor and livelihood opportunities.

MANIFESTATION OF SENATOR DEFENSOR SANTIAGO

Senator Defensor Santiago manifested that Senators Angara, Legarda and Cayetano (P) are co-sponsors of Senate Bill No. 2046 (Committee Report No. 36). She informed the Body that she would be on official mission from February 17 to March 17, 2008, because she has been nominated by the President to the post of Judge of the International Court of Justice. She said that Senator Angara would be defending the bill while she is abroad following the campaign schedule set by the Department of Foreign Affairs for the November 2008 International Court of Justice elections. She stated that among the places she would visit where she would be spending mostly three days only are: Paris, France; Brussels, Belgium; London, U.K.; Pretoria, South Africa; Tripoli, Libya; and Dakar, Senegal.

Senator Defensor Santiago said that she would be glad to resume defense of the bill when she comes back on March 15, but would not have any objection if the period of interpellations is closed by then; in that case, she would deal with the committee and individual amendments to the bill.

COSPONSORSHIP SPEECH OF SENATOR ANGARA

Senator Angara commended Senator Defensor Santiago for a very scholarly and comprehensive presentation of the proposed renewable energy law. He agreed that the measure could be a landmark law, a crossroads for the Philippines in terms of energy independence.

In cosponsoring Senate Bill No. 2046, Senator Angara delivered the following speech:

It is with great pleasure that I rise to co-sponsor Committee Report No. 36, which seeks to promote the development, utilization and commercialization of renewable energy resources.

This urgent measure will help address three pressing problems of the country today — continuous rise in global oil price, dependence on fossil fuels, and the growing threat of global warming.

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Renewable energy is a proven and tested means by which energy independence can be achieved without having to compromise the sustainability of the environment.

For the past 30-50 years, the use of renewable energy has undergone tremendous developments. We have gone a long way from the first conversion of sunlight to electricity in a solar photovoltaic (PV) test which took place at one of the Bell Labs in 1954.

In many African countries, solar energy has been used to support critical health activities. In Zaire and Uganda, vaccine refrigerators are powered by solar energy, while in Gambia, some rural health clinics are equipped with solar lighting systems and water heaters. Countries like Peru, Indonesia and Myanmar have also followed suit in relying on solar power for their vaccine cold chains.

The use of micro-hydro power is spreading throughout Asia. China, Nepal, Vietnam, Laos, Thailand and Papua New Guinea have developed micro-hydro power installations for agro-processing, irrigation, drainage and even household use.

Canada tops the list of countries producing hydropower, followed by the U.S. which produces enough hydropower to serve 28 million residents. Norway and New Zealand produce almost all their electricity from hydropower. China is emerging as a hydropower giant, with the Three Gorges Dam project, the world's largest hydroelectric generating system with a total generating capacity of 25,615 MW when it is completed in 2011.

Iceland has been using geothermal energy and hydrogen energy since the 1900s to supply their energy needs. Today, geothermal power provides heat to approximately 89% of homes in this tiny island nation, while renewable energy provides 99% of the electricity requirements of its industries and population. Iceland took advantage of its unique geological make-up to produce clean energy.

Denmark has also established a best practice in renewable energy development. It has pioneered the development of commercial wind powers back in the 1970s, thus it is now known to be the cradle of the modern wind turbine industry.

Many countries are following suit and we should not allow ourselves to be left behind.

At least 56 countries worldwide now have some type of renewable energy promotion policy.

Several more developing countries are actively engaged in enacting policies.

At least 11 developing nations ranging from Cambodia to Turkey have some sort of national policies to promote, encourage or directly fund clean energy development.

Based on Clean Edge Research, a well-known energy research, the total value of just four major renewable energy sectors, namely, solar, wind, biofuels, and hydrogen, amounted to \$55.4 billion in 2006. This market is predicted to increase fourfold to reach more than \$226 billion by 2016, barely eight years away.

In the Philippines, the oil prices have skyrocketed to as high as US\$ 100 per barrel last January, the highest in our history so far. According to experts and analysts, there are no signs of this situation letting up -- prices will continue to rise as emerging economies like China and India continue to expand and the veil of instability in the Middle East remains.

Our power costs, as already noted, have increased by an average of 11% per year over the past 20 years, resulting in our country having one of the highest power rates in the world.

Due to our expanding economy, the country's net oil imports have continually increased, reaching as high as US\$6.8 billion, nearly US\$7 billion in 2006. As our economy flourishes, demand for energy will continue to expand and if we do nothing, so will our dependence on imported oil will continue.

According to the study made by the Renewable Energy Coalition, a local nongovernment organization, if the country saves even half of its net oil imports, it can use this amount for social and infrastructure programs such as:

- ◆ sending 17 million children to elementary school;
- ◆ building 250,000 classrooms;
- ◆ putting up 135,000 health centers;
- ◆ feeding 14 million families; and
- ◆ building 38,000 farm-to-market roads.

A staggering savings.

This is not to say that this Renewable Energy Bill will be the magic bullet that will solve all our energy problems. But I firmly believe, however, that it is a vital step we must take in order to harness and develop the vast energy sources, all renewable, that our country possesses, to benefit both present and future generations. AF

Let me just quickly go over the data on the potential of our renewable energy sources.

The Philippines could become the leading renewable energy hub in the Asia-Pacific. We have solar potential, one of the highest in the world. And our geothermal resources are second only to the United States. Our wind potential can generate 76,000 megawatts of potential installed capacity. And we have not even considered the potential of biomass which is now being developed, as well as tidal power potential. These are proven sources that we can easily tap but as yet not yet tapped.

We have not yet fully grasped and appreciated the potential of our country to become a major producer and developer of renewable energy not only in Asia but also in the world.

The Philippines is presently the second largest producer of geothermal energy in the world. Our geothermal plants in Bicol, Laguna, Batangas, and Leyte produce a combined 2,000 megawatts of electricity, bested only by the United States.

We have a huge potential to be among the largest producers of hydroelectric power and a global leader in micro-hydroelectric technology.

Our wind resources are so immense that we have the highest wind energy potential in Southeast Asia and have the potential to be number one in the entire region. This is according to the U.S. Department of Energy.

Presently, we are considered as the solar power hub of Asia and one of the leading producers of solar panels and cells in the world.

Being surrounded by bodies of water, we also have the potential to explore and develop the newest and most untapped renewable resource – ocean energy.

These are not dreams, these are not visions. These are actualities already happening on our planet, and it needs only a clear national policy on how we can tap into these inexhaustible energy resources.

We have the resources, we have the manpower, and we have all the opportunity. What we now need is a legislative measure, which we are now presenting to you, that will provide the much needed incentives, and investment environment conducive for developers of renewable energy technologies.

The renewable energy industry is one of the fastest growing industries in the world, growing

at an average rate of over 30% in the last four years. The flow of capital into this industry has reached a staggering US\$30 billion in 2006.

We cannot afford to miss the boat. We must act now to ensure that the Philippines become one of the most attractive investment destinations for major renewable energy players in the global market.

Our government plays a vital role in improving capital-intensive industries such as the renewable energy industry. Through tax incentives, standards, and subsidies, the government can make or break the future of renewable energy in this country.

The role of government in developing and promoting renewable energy is pivotal, it is decisive. Without that, this industry will not take off and it will be a pity.

The success and sustainability of clean tech revolution rests on the long-term consistent government policies and the availability of effective subsidies and incentives to solar, wind and other renewable sectors.

For clean technology revolution to thrive, there should be supportive policies in place at the national, regional and local levels of government for the emerging renewable sectors.

Throughout the world, from big cities to rural areas, from big nations to small nations, they are now almost 56 countries with a policy that they will draw their electricity up to 20% to 30% by 2015 from renewable energy. We must do the same and make a commitment that we will support and we will utilize our abundant renewable sources of energy.

Finally, we need to pass this measure now, because of the immediate and long-term positive effects of renewable energy in preserving our environment and stemming global warming and climate change.

The heavy use of fossil fuels has already caused tremendous air and water pollution, land degradation, and global warming. Developing and using renewable energy alternatives can substantially reduce the harmful effects of fossil fuels and improve air and water quality, as well as avert a catastrophic climate change crisis.

But this is not simply for environmental reasons or for the environmentalists. This is an imperative that we must do for our own sake and for the sake of our children and their children because this is the only way that we can be

liberated from our dependence on imported oil, and as long as we are dependent on imported oil, our economy will always be a roller coaster proposition. Therefore, we need renewable energy for long-term planning, as well as sustainable development.

The Renewable Energy Bill is an absolute imperative. Let us pass this measure now, not only for the benefit of the present generation but more importantly for the future ones.

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan manifested that Senator Cayetano (P), cosponsor of Senate Bill No. 2046, will submit her cosponsorship speech in due time, and that it be considered as having been read into the record.

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

Senator Legarda delivered her consponsorship speech on Senate Bill No. 2046, as follows:

Early this year, international oil prices reached the highest at \$100 per barrel, a rather alarming increase that sent panic as reports declared that three-figure prices may bring energy costs near the tipping point that will cause global economic growth to falter. The increasing trend is largely due to the steep demand from China and India, the geo-political situation in the Middle East, among others. But the price settling to an approximate of \$92 a barrel in late January can only give a momentary relief; market forces may continually push the upward spiraling of oil prices.

The Philippines remains to be dependent on imported energy and has only recently started to develop alternative sources of energy. Our country therefore is affected by the volatility of oil prices. Figures presented to us indicate that in 2006, the country's net oil imports (crude and petroleum product imports less petroleum exports) went up 20 percent to \$6.8 billion, despite the 7.4% decrease in consumption, mainly due to high costs of petroleum products. Since there are no other reliable sources of oil for our domestic needs at the moment, our government has had to contend with such a high cost of imported fuel which, in turn, results in the rise in domestic prices of oil products in our country. Consequently, prices of basic commodities and transportation rose, as fuel prices directly affect the power and transport sectors.

It is high time therefore for our government to explore and develop our own alternative sources of energy and enhance our capability towards energy independence. In the Philippine Energy Plan for 2004-2010, one of the main strategies for energy independence is the development of renewable energy. It is an achievable goal given our abundant sunlight, strong winds and tides. We are No. 2, next only to the U.S., in geothermal use. Nature indeed has gifted us with these resources.

As with the introduction of any innovation, barriers exist that may doom pioneering efforts, no matter how laudable, to fail. We must ensure therefore that such will not happen. There is a compelling need to adopt a comprehensive approach towards the promotion of renewable energy through legislation, with the end in view of institutionalizing its use, developing the national and local capabilities needed for the use of indigenous and renewable energy systems and providing fiscal and non-fiscal incentives to participants in the renewable energy sector.

We recognize the initial efforts already undertaken to use sources like geothermal, wind, solar, tidal, biomass, and hydropower energy. We have adopted new, green technologies that will provide us with independent, environment-friendly energy sources and have begun to participate in the emerging global carbon market and the Clean Development Mechanism under the Kyoto Protocol.

Senate Bill No. 2046 is therefore a welcome development in our pursuit of this noble endeavor. The proposed legislation sponsored today will provide the necessary mechanism and infrastructure needed to promote and enhance the development, utilization and commercialization of renewable energy resources in the country.

The renewable energy program of the government, as embodied in this bill, will provide the following benefits:

1. Sustain efficient energy supply and demand chain;
2. Promote fuel efficiency through the use of alternative fuels and technologies;
3. Reduce dependence on imported fuel;
4. Generate foreign exchange savings from fuel displacement; and
5. Improve air quality.

These benefits shall be brought about by the bill's mechanisms such as the establishment

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of the Renewable Energy Market, the Green Energy Option, and incentives for renewable energy projects and activities, in conjunction with the development of the energy transmission and distribution system.

In view of the foregoing, and in order to help the government abate the adverse effects of the current oil crisis, I urge our colleagues, as co-sponsor of this important piece of legislation, to support the immediate enactment of this bill.

At this juncture, Senate President Villar relinquished the Chair to Senate President Pro Tempore Ejercito Estrada.

COSPONSORSHIP SPEECH OF SENATOR ZUBIRI

In cosponsoring Senate Bill No. 2046, Senator Zubiri delivered the following speech:

At the onset, let me congratulate the distinguished Sponsors of the measure, Senator Miriam Defensor-Santiago and Senator Edgardo Angara, together with Senators Loren Legarda and Pia Cayetano, for their immediate action on renewable energy bills which were primarily referred to the Committee on Energy. I would also like to take this opportunity to thank Senator Defensor Santiago for her graciousness and generosity in accepting most of the amendments of this humble representation which were incorporated in the Committee Report.

The renewable energy resource of the Philippines is enormous. Wind energy potential alone could reach up to 70,000 MW, according to the U.S. Department of Energy study. Solar power is abundant in the country and is capable of producing 1,500 hours of power annually at five kilowatt hours per square meter per day. The combined commercially viable modern biomass potential from diverse sources such as sugar cane bagasse, and rice and coconut residue is over 2,300 MW within a ten-year period, while mini-hydropower has a total resource potential of 1,132 MW.

Sadly, it is tremendously difficult to harness the country's abundant renewable energy potential due to the unfortunate bias in favor of dirty and ultimately costly fossil fuel-generated power. The volatile situation in the world's fossil fuel prices, the rampaging and worsening impacts of carbon dioxide-induced climate change, and increasing toxic risks faced by communities hosting coal plants warrant a serious strategic consideration of the energy

pathways so far chosen by the Republic of the Philippines.

As mentioned earlier by the Sponsors, the new renewable energy alternatives can be harnessed by the country to protect the environment, to provide jobs, and to strengthen the country's energy independence. The passage of this bill into law is a great leap forward towards achieving energy security and independence, as well as mitigating carbon dioxide emissions in the country.

If I may be allowed to amplify some points that the distinguished Sponsors have already said in their speeches, one of the salient features of the bill is the "green energy option" which would enable end-users to choose renewable energy resources over conventional energy resources and easily switch to conventional energy resource once the renewable energy resource becomes unavailable or during the intermittent period.

Related to the "green energy option" is the "net metering system for renewable energy." Under the net metering system for renewable energy, an end-user can enter into contract with the distribution utilities. Under the contract, the end-user can offset his generation and utilization of renewable energy and conventional energy. If he has renewable energy (RE)-generated surplus, which he supplied to the distribution utilities, the end-user will receive a refund or payment for the surplus of the renewable energy he generated and supplied to the distribution utilities (DU).

It is quite technical, but simply stated, if a business, for example Megamall or Robinson Galleria, decides to put up its own renewable energy source, such as paneling the whole roof, during the days where renewable energy is not being utilized, that energy is channeled back to the distribution system and the distributor will discount his bill for the unused power that is being produced by these independent renewable energy producers.

Even in homes, this can be utilized. There are homes that are now utilizing solar power, and during the day when the homeowners are not around, the power that was not utilized will be returned to the grid and will be paid by the distributor to the homeowner through discounts on his bill. That will give added incentives to people to independently go into renewable energy.

On the incentives provided by renewable energy projects and activities, the exemption from universal charge of power and electricity

generated through RE systems for the generator's own consumption is consistent with the spirit of EPIRA which "promotes the utilization of indigenous and renewable energy sources in power generation in order to reduce dependence on imported energy." This is from Section 2, Chapter I of EPIRA. This will unburden the renewable energy generator from payment of universal charge for renewable energy generated for its own consumption and never infused into the grid.

As a short explanation, we allow, for example, piggeries that utilize the waste of the swine to generate methane gas which, in turn, produces energy for the farm. That, right now, technically, is being charged a universal charge and, therefore, they are paying for their own production of energy. We think this is unfair. Therefore, it is provided in this bill that they be exempted.

I have just mentioned some of the features of the bill as currently worded. There are many more salient features which I am sure will be highlighted by the distinguished Sponsors during the period of interpellations.

I myself gave my very first privilege speech in this august Chamber on the need to pursue a renewable energy program because of climate change and global warming.

The wave of the future is on renewable energy and I hope and pray that the Senate will muster the courage to ride the tide and not be swept by it.

Once again, I congratulate the chairperson of the Committee on Energy, Senator Defensor Santiago, for sponsoring and prioritizing this very important measure, and to Senators Angara, Legarda, Cayetano (P) and our other colleagues for strongly supporting this landmark piece of legislation. I join them all in seeking the immediate passage of this measure.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:10 p.m.

RESUMPTION OF SESSION

At 5:11 p.m., the session was resumed.

RESERVATIONS TO INTERPELLATE

Senator Pangilinan manifested that Senators Enrile, Madrigal, Escudero and Aquino have made reservations to interpellate on the bill at the proper time.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2046

Upon motion of Senator Pangilinan, the Body suspended consideration of the bill.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:12 p.m.

RESUMPTION OF SESSION


At 5:13 p.m., the session was resumed.

ADJOURNMENT OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Senate President Pro Tempore declared the session adjourned until three o'clock in the afternoon of the following day.

It was 5:14 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate

Approved on February 13, 2008