

Exploitation of Fossil Fuels in the Philippines

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One of the World's Richest in Natural Resources

2nd to Indonesia in geological prospectivity
in SouthEast Asia

5th mineralized country in the world

Located in the Ring of Fire

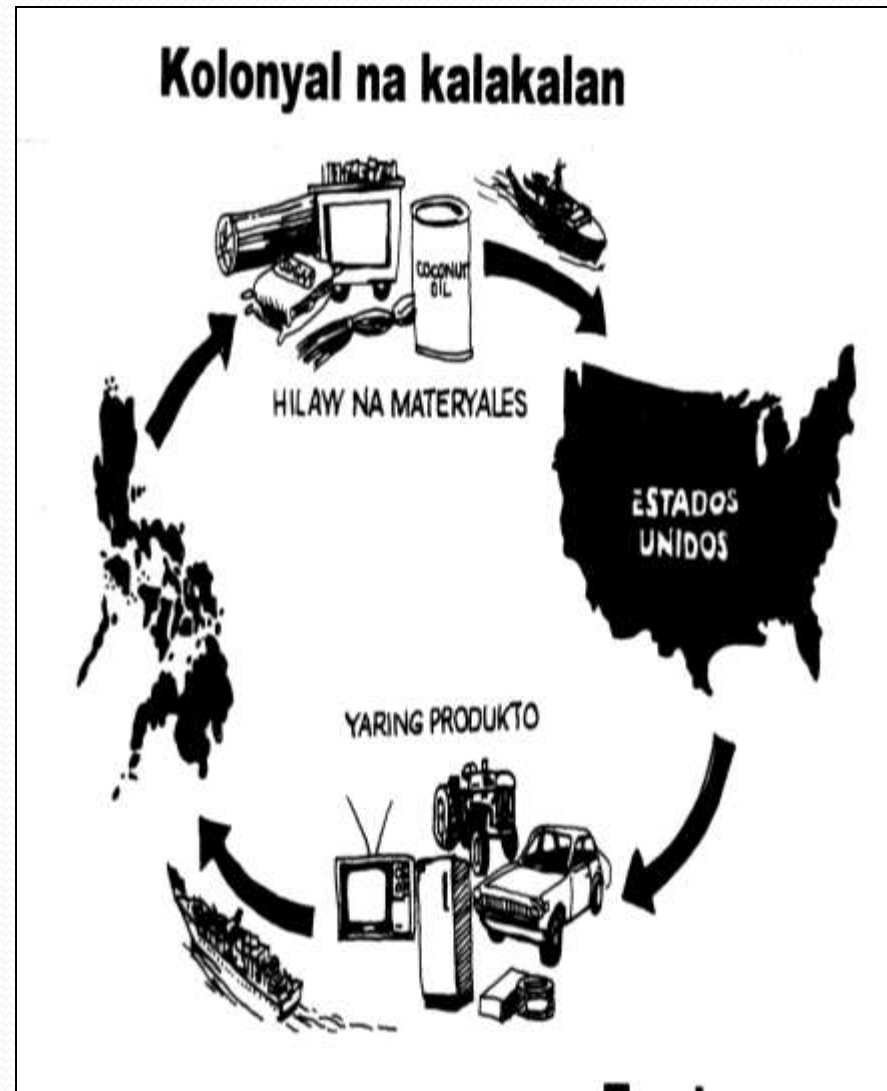
High potential source of fossil fuels
(oil and gas)

Philippine economy

- Mainly extractive
- Export-oriented
- Dominated by TNCs, local elite
- Dependent on foreign capital and technologies

Production sector- Economy %

Sectors	1991-94	2005-07
Agriculture	21.6	14.2
Industry	33	31.6
Manufacturing	24.1	22.7
Services	45.4	54.2
Total	100	100



Philippine Government

- Facilitates the sell-out and plunder of natural resources
 - Without benefit to the majority of our people
 - Benefits only the local elite and foreign business
- Government policies promote and implement neoliberal Globalization
 - Mining Act 1995
 - Oil deregulation law
 - Electric Power Industry Reform Act (EPIRA)



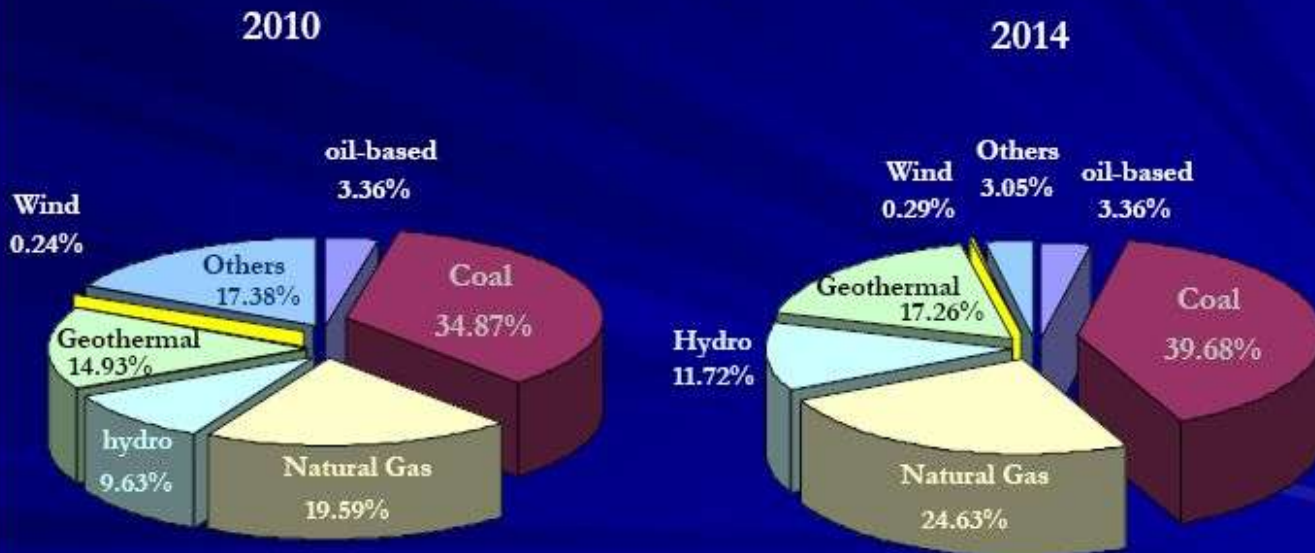
Role of IFI and TNCs



- Formulate and dictate energy policy and program of the government
- Stimulate production, sale and consumption of fossil fuels products
- Finance projects (privatization of existing power plants and resources or putting up new plants or operations)
- Owns the energy resources and facilities (fossil fuels and power plants)
- Provide the capital and technologies
- Controls the operations and the industry

Power Generation in the Philippines

POWER GENERATION MIX

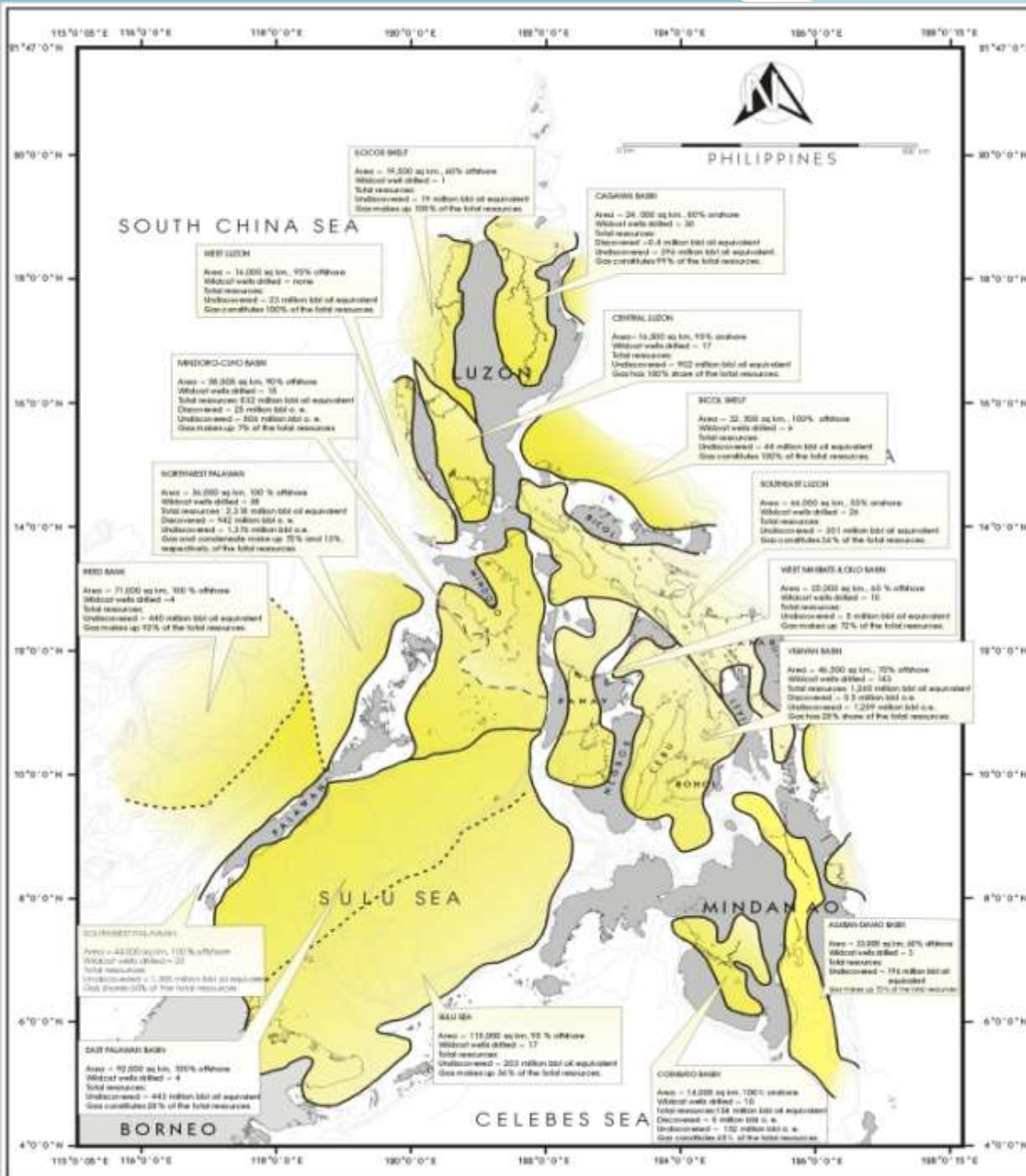


THE \$4.6B MALAMPAYA NATURAL GAS OPERATION

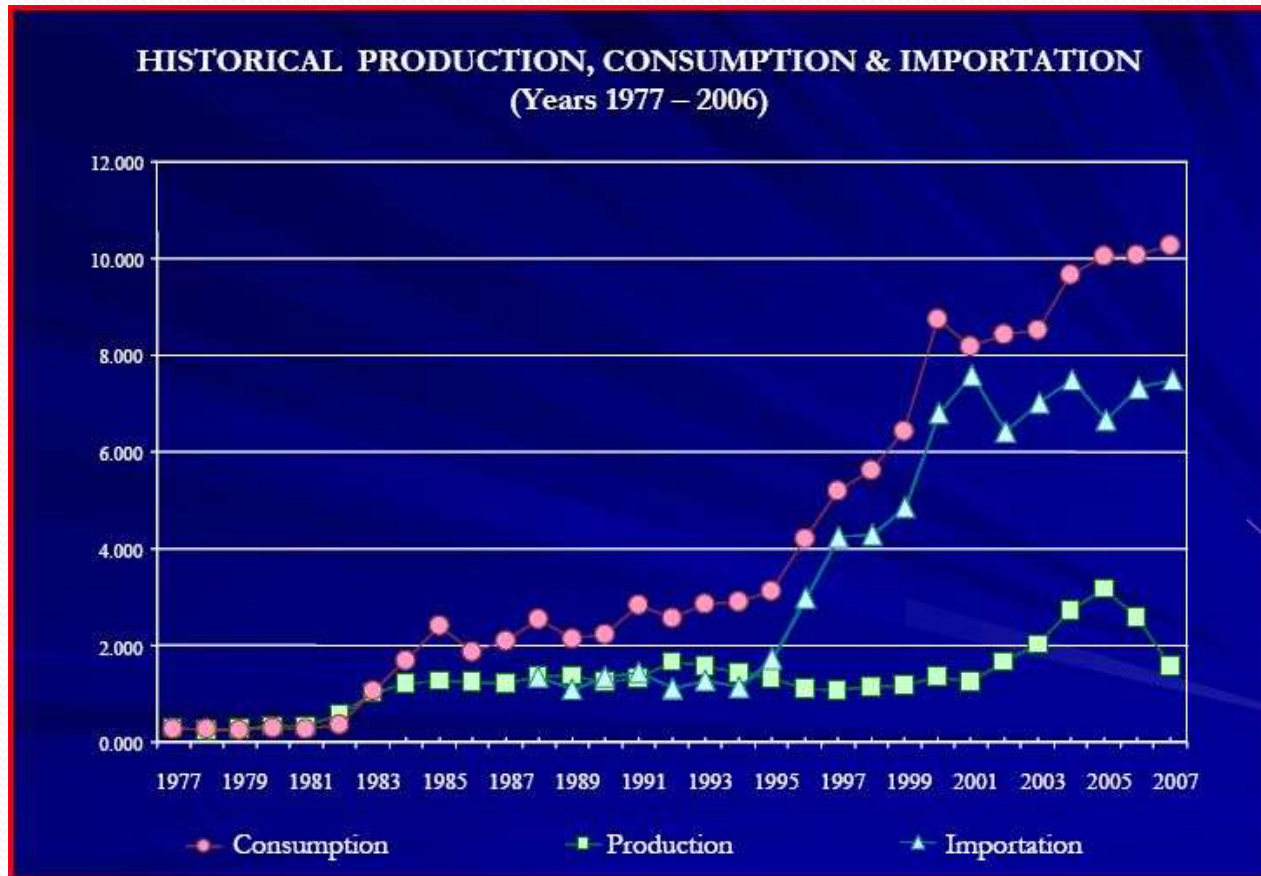
- A joint undertaking of the Philippine government, which owns 10 % through PNOC., and Shell Exploration Phil., a unit of the UK-based Royal Dutch Shell, and the US-based Texaco Corp. which jointly own 90 %
- Malampaya crude oil reserves range from 28-40 million
- SPEX and Chevron Texaco did not export Malampaya oil
- Inaugurated in 2001, it is expected to generate \$13 billion in revenues over the next 20 years.
- Refuse to develop the Malampaya oil rim which is a potential domestic source of crude oil for the Philippines
- SPEX & TEXACO claim that crude oil in Malampaya is too small to develop and abandoned their earlier commitment to develop the oil rim
 - But SPEX and Chevron Texaco is asking for US\$12 billion for indemnity fund to be set up before the government allows any third party to encroach into the proposed oil rim beneath the Malampaya gas

Petroleum Service Contracts as of today:

- 69 Service Contracts
- 9 Areas offered for Philippine Energy Contracting Round (PECR)



Coal Consumption, Production and Importation



COAL POWER PLANTS

Plant Name	Installed Capacity (MW)	Owner	Technology	Year Comm.	Location	Remarks
Luzon						
Sual Coal Power Plant	1294	TEAM Energy	Pulverized Coal	1999	Sual, Pangasinan	NPC-IPP / Formerly owned by Mirant
Masinloc Coal Power Plant	600	consortium of Masinloc Power Partners Co. Ltd. and Singapore-based AES Transpower Pte Ltd	Pulverized Coal	1998	Masinloc, Zambales	
Quezon Power Plant, Ltd.	511	Consortium of InterGen, Ogden Energy, Group Global Power, Investments and PMR Limited	Pulverized Coal	2000	Mauban, Quezon	MERALCO IPP
Pagbilao Coal Power Plant	728	TEAM Energy	Pulverized Coal	1996	Pagbilao, Quezon	NPC-IPP / Formerly owned by Mirant
Calaca 1 and 2	600	NPC	Pulverized Coal	1984 / 1995	Calaca, Batangas	
APEC	50	APEC	Circulating Fluidized Bed	2006	Mabalacat, Pampanga	
Visayas						
Toledo	88.8	??	???	1993	Toledo City, Cebu	
Cebu Thermal Power Plant	109.3	NPC but operated by Saloon Power	Pulverized Coal	1981	Naga, Cebu	
Mindanao						
Mindanao Coal Plant	232	STEAG	Pulverized Coal	2006	Villanueva, Misamis Oriental	NPC - IPP



Coal Power Plants Established in the last 6 years

Table 2. Coal-fired power plants established during the Arroyo Regime

Corporation	Classification	Year Commissioned	Power Capacity in Megawatts
APEC	New	2005	50
Mirant Pagbilao	Existing	2008	350
Mirant Toledo	New	2008	100
Coral Bay	New	2004	14.14
STEAG	New	2006	210
APEC	Existing	2010	50
Global Business Power	New	2010	164
DMCI	New	(2009)	29
Coral Bay	New	(2009)	15.92
Conal Holdings Inc/Alsons	New	(2011)	200
KEPCO Salcon	New	(2010)	200
DMCI	New	(2010)	100
Global Business Power	New	(2010)	246
Emerald Energy Corp	Existing	-	600
<i>Source: Department of Energy</i>			

COAL RESOURCES AND PROPOSED PROJECTS



Coal Investment Requirements

Project	Capacity	Investment Cost, in Billion PhP
Cauayan, Isabela	50 MW	5.142
Cauayan, Isabela	50 MW	5.142
Iguig, Cagayan	50 MW	5.142
Iguig, Cagayan	50 MW	5.142
Antique	100 MW	20.570
Antique	200 MW	20.572
Antique	200 MW	10.286
Sultan Kudarat	200 MW	20.571
Surigao	100 MW	10.284

- As of November 2009, Department of Energy (DOE) awarded 60 coal operating contracts (26 development or production and 34 exploration)

Proposed Coal Power Plant Projects

- Currently 8 coal-fired power plant projects,
 - 200-megawatt Cebu
 - 300-MW megawatt expansion plant in Quezon
 - 100-MW plant Concepcion,
 - 300-megawatt expansion plant in Masinloc, Zambales;
 - 300-MW plant in Olongapo, Zambales;
 - 150-MW plant in Davao del Sur
 - 200-MW plant in Sarangani Province
 - 350 MW in Isabela Province

Social and Economic Impacts



- Widespread poverty
- Lack of livelihood
- High incidence of natural disasters, epidemic and hunger
- Displacement
- Decreasing food and water sources
- Depletion of resources needed for development

Objectives of Campaign on Fossil Fuels

- Stop or delay related project on the ground
- Expose the ill-effects of the projects
- Project and link local issues and campaign at the national level
- Get international support and solidarity for the campaign
- Set alternative technology
- Expose the connivance and accountability between the government, IFI and TNCs
- Reject and reverse neoliberal energy program and policies
- Call for nationalization of the energy industry and genuine national industrialization