

Integrated energy-water-food projects pushed

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Integrated energy-water-food projects like hydro-electric dams are among the key strategies of the present administration to help achieve its sustainable development goals, according to Alfonso Cusi, Department of Energy (DOE) secretary.

“The DOE is encouraging the integration of programs to develop renewable energy, water and food production,” Cusi said in his speech at the 10th anniversary of the privatization of the 360-megawatt (MW) Magat hydroelectric power plant (HEPP).

“I want this hydropower plant to serve as an example of this energy, water and food undertaking. This plant serves as a peaking power plant that is capable of providing ancillary services for the stability of the Luzon grid and also irrigates 80,000 hectares of land to feed millions of Filipinos,” he added.

Cusi conducted an aerial and technical inspection of Magat HEPP and the ongoing construction of the National Irrigation Administration’s 6 MW Magat river integrated irrigation system which is set to be completed this December.

During the event, he also invited Norway through its ambassador Erik Forner to invest more in the Philippines.

“More investments are needed. DOE will provide that environment conducive to business by ensuring reliable and sufficient power and more importantly, we need to protect the interest of the public,” said Cusi.

Earlier, Cusi said investors should focus on developing more merchant power plants to further pull down the price of power in the electricity spot market.

“There is a strong intent but what I’m asking all these investors, Chinese investors... is to put up merchant power plants... so that price of power will not be dependent on PSAs (power supply agreements) but also on the spot market,” he said.

He backed up his idea citing 90 percent of power available in the country today is being sourced by distribution utilities through bilateral contracts and PSAs, with only 10 percent being traded in the market.

“Those who are planning to go into the power plant business, we are encouraging them to be merchant power plants; no PSAs, no bilateral contract and all they have to do is be in the spot market. We are looking at 20 to 30 percent to be merchant,” Cusi had said.

But he admitted the scheme needs thorough study, noting some risks if the number of merchant power plants overshoots.

Also, he said he is not keen on providing incentives to investors to entice them to build merchant power plants, but businessmen should be encouraged by the present growth trajectory of the Philippine economy.

Based on the latest DOE data, the country had a total installed on-grid capacity of 19,861 MW as of the first half of 2016. The total share of renewable energy— composed of hydro, geothermal, wind, biomass and solar power plants – stood at 6,870 MW, surpassing coal power plants’ share of 6,484 MW in the overall installed capacity.