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## P810B seen to fuel clean energy projects

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THE DEPARTMENT of Energy is expecting over P810 billion in new investments to be poured in the local renewable energy sector over the next 20 years, based on its latest list of planned power projects.

Data from the DOE showed that, once completed, up to 6,940 megawatts (MW) could be generated from the renewable energy projects that had been put forward by prospective investors. These projects fall under the "indicative" category,

which means that the proponents still need to secure the necessary permits, clearances and finances.

The DOE is banking on 27 geothermal power projects to contribute 1,405 MW in additional capacity within the 20 years. Costs were estimated to reach P141.2 billion.

For wind power projects, the DOE expects close to 50 new projects that may add 1,491 MW in new capacities to the tune of P302.43 billion.

According to the DOE, the Phinma-led Trans-Asia Oil and Energy Development Corp. holds the biggest number

of service contracts, with 20 planned projects seen to contribute 475 MW—a third of those listed as indicative.

Also, 248 prospective sites for hydropower may generate 3,914.28 MW, with investment requirements estimated at P352.29 billion.

Of these sites, 133 are expected to be developed in Luzon (P247.42 billion); 52 in the Visayas (P24.12 billion); and 63 in Mindanao (P80.74 billion).

Only six solar power projects are listed with the DOE. These projects, with costs estimated to run up to

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P7.09 billion, may generate 71 MW.

Cagayan Electric Power and Light Co. Inc. plans to develop four of these projects in Misamis Oriental between 2015 and 2030.

For biomass facilities, only three projects have been listed as indicative: Green Power Pangasinan, for its 17.5-MW biomass project in Pangasinan; Phil-Korean Energy Corp., for its 30 MW project in Puerto Princesa, Palawan; and Asea One Power Corp., with a 12-MW facility in Banga, Aklan.

These biomass projects are expected to generate 59.5 MW with costs reaching P6.5 billion.

The decision to push through with these projects will hinge on the implementation of the feed-in-tariff rates—an incentive awaited by investors.

This mechanism, provided under the Renewable Energy Act of 2008, will allow propo-

nents to determine the economic and financial viability of their respective projects.

Under the feed-in tariff system, developers are assured of future cash flows, as electricity end-users will be charged fixed amounts to cover production of energy from renewable sources. With this in place, utilities can spread the cost of clean power among customers.

The system is likewise expected to encourage investors to go into renewable energy development and production. The mechanism also ensures stable pricing for energy from renewable sources.

According to industry sources, the numbers that are being floated—between P7 per kilowatt-hour and P25 per kWh—were on "the high side." Sources insisted that these numbers came from local project proponents. They said the tariffs should be about P5.50 per kWh to P6 per kWh.