The Struggle for Energy Democracy in the Philippines

Presentation to the PSI Asia Pacific Regional Forum on Quality Public Services

Imagine life without electricity…

Electricity is crucial to lighten up our lives….

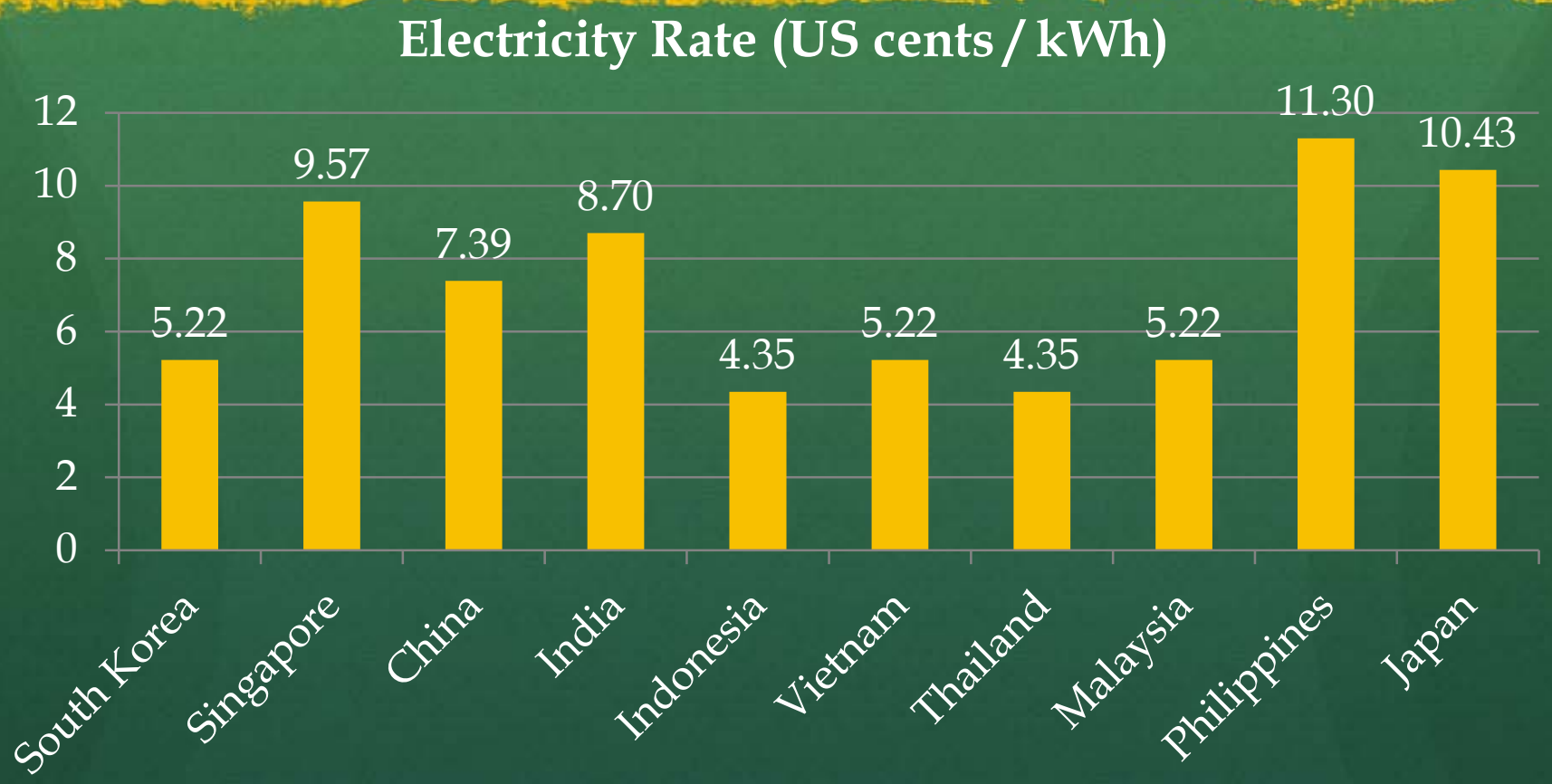
But in the Philippines, it has become a heavy burden to bear.

Asia's Highest Power Rates

- PHILIPPINES - US$ 0.2460/kwh
- Japan - US$ 0.243/kwh
- Singapore - US$ 0.22/kwh
- Indonesia - US$ 0.092/kwh
- Thailand - US$ 0086/kwh

(Source: 2010 IEC Study)

PH Electricity Rates vis-à-vis Asia



Source: JETRO, March 2006, cited in http://www.doe.gov.ph/e%20summit/presentation/Energy%20Conservation%20-%20Nagayama.pdf

World's Highest Residential Power Rates

- Denmark ---US$0.3563
- Germany --- US$0.3248
- Italy --- US$0.2632
- Austria --- US$0.2576
- **PHILIPPINES- US$0.2460**
- Ireland --- US$0.2326
- Japan --- US$0.2322
- Belgium --- US$0.2317
- Netherlands --- US$0.2212
- Sweden --- US$0.2180

(Source : 2010 IEC study)

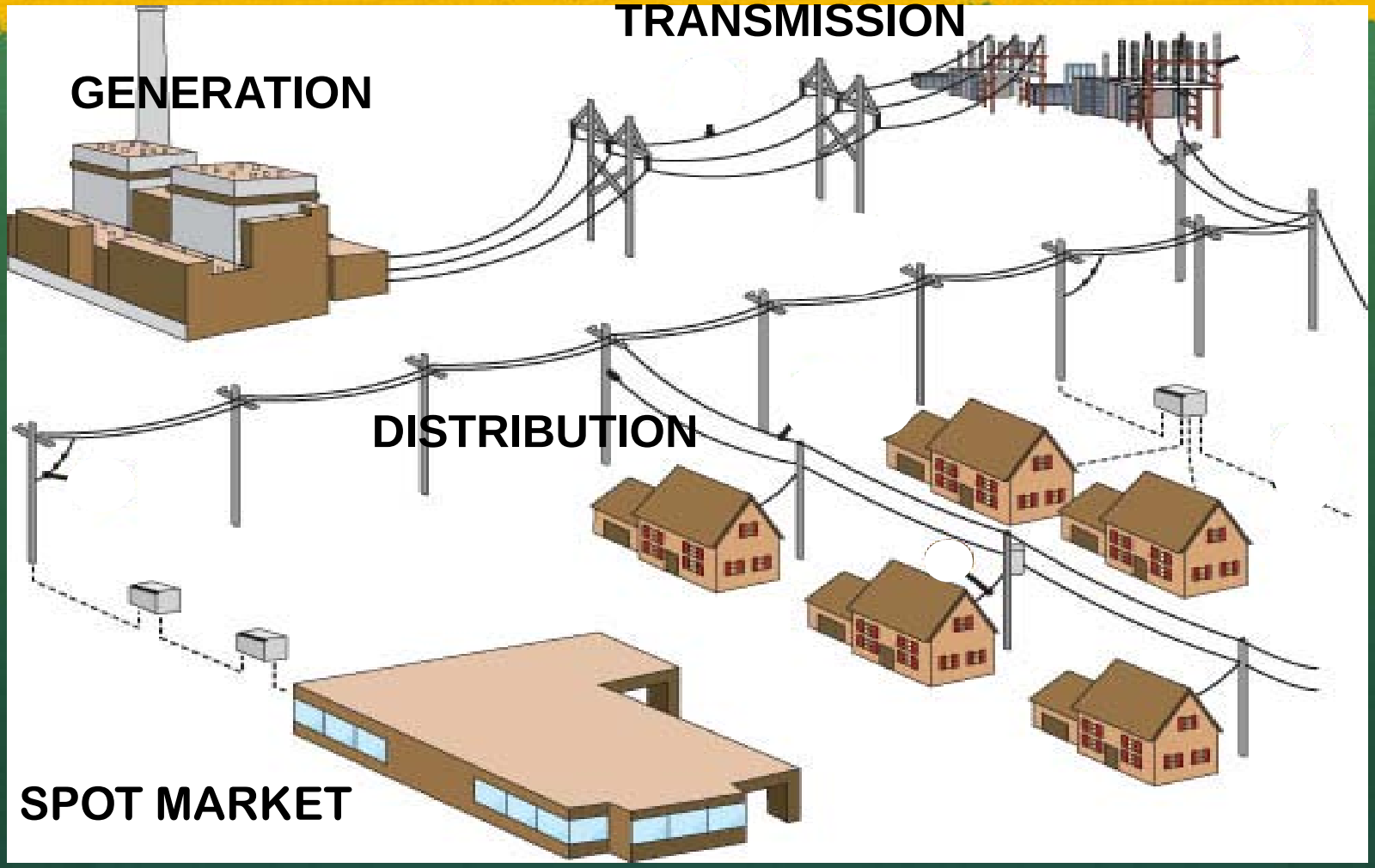
World's Highest Industrial Power Rates

- Italy --- US$0.2581
- Slovak Republic – US$0.1691
- Japan --- US$0.1544
- Turkey --- US$0.1509
- Czech Republic – US$0.1439
- Ireland --- US$0.1372
- **PHILIPPINES ---US$0.1320**
- Belgium --- US$0.1245
- Netherlands --- US$0.1230
- Luxembourg --- US$0.1219

(Source : 2010 IEC study)

This is the result of the privatization of electric power industry in the Philippines or EPIRA

The Power Industry



The EPIRA Regime

- Unbundling of rates
- Separation of generation from transmission
- Privatization of the National Power Corporation (NPC)
- Establishment of a Wholesale Spot Market
- Retail competition and open access

Promises of EPIRA's

- It will create competition
- Ensure efficient, reliable and secure electricity
- Lower the cost of electricity

Instead of competition… it created oligopoly!

Rise of the power barons!

aboitiz Power Corporation

First Gen

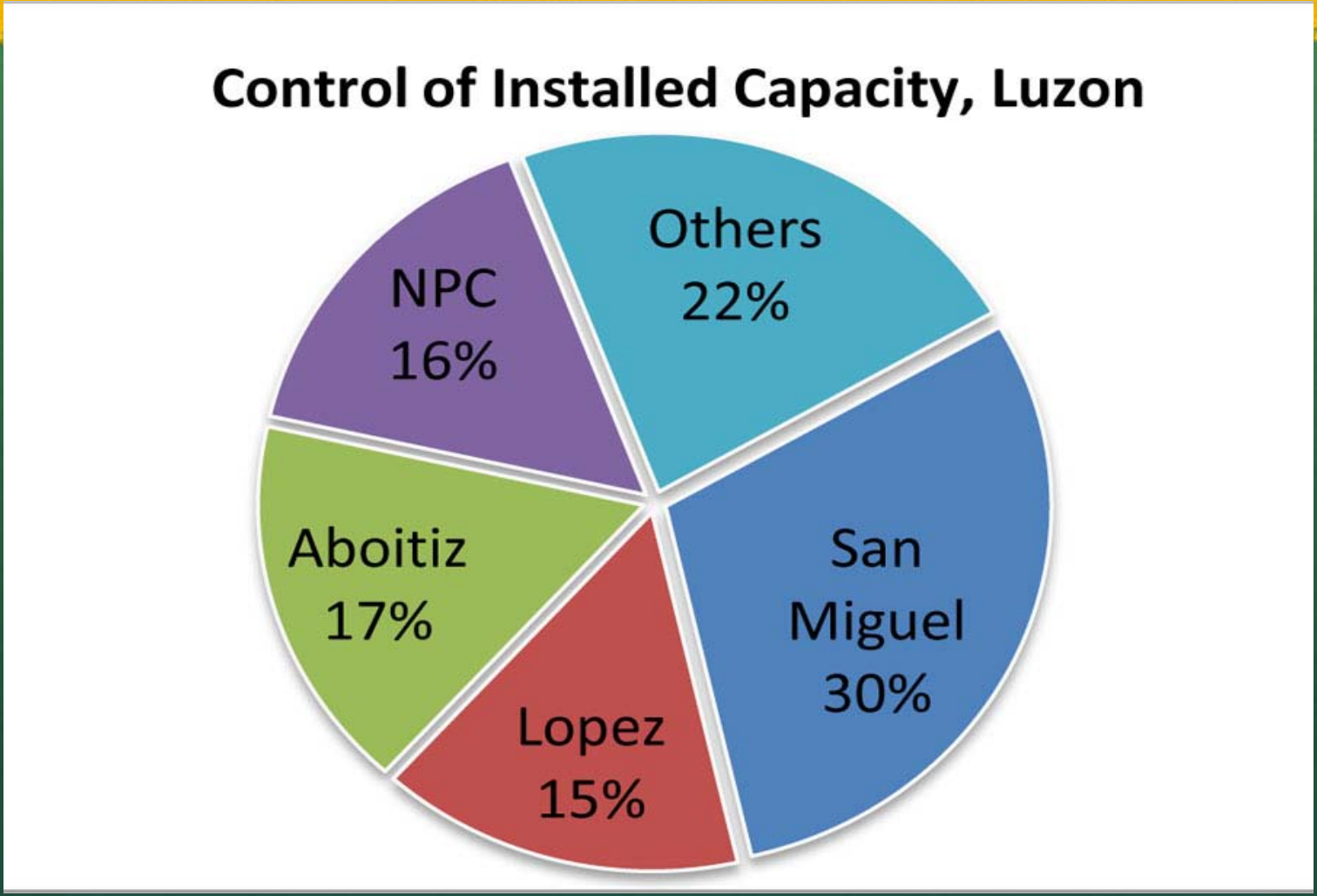
PLDT

SAN MIGUEL CORPORATION

METROBANK

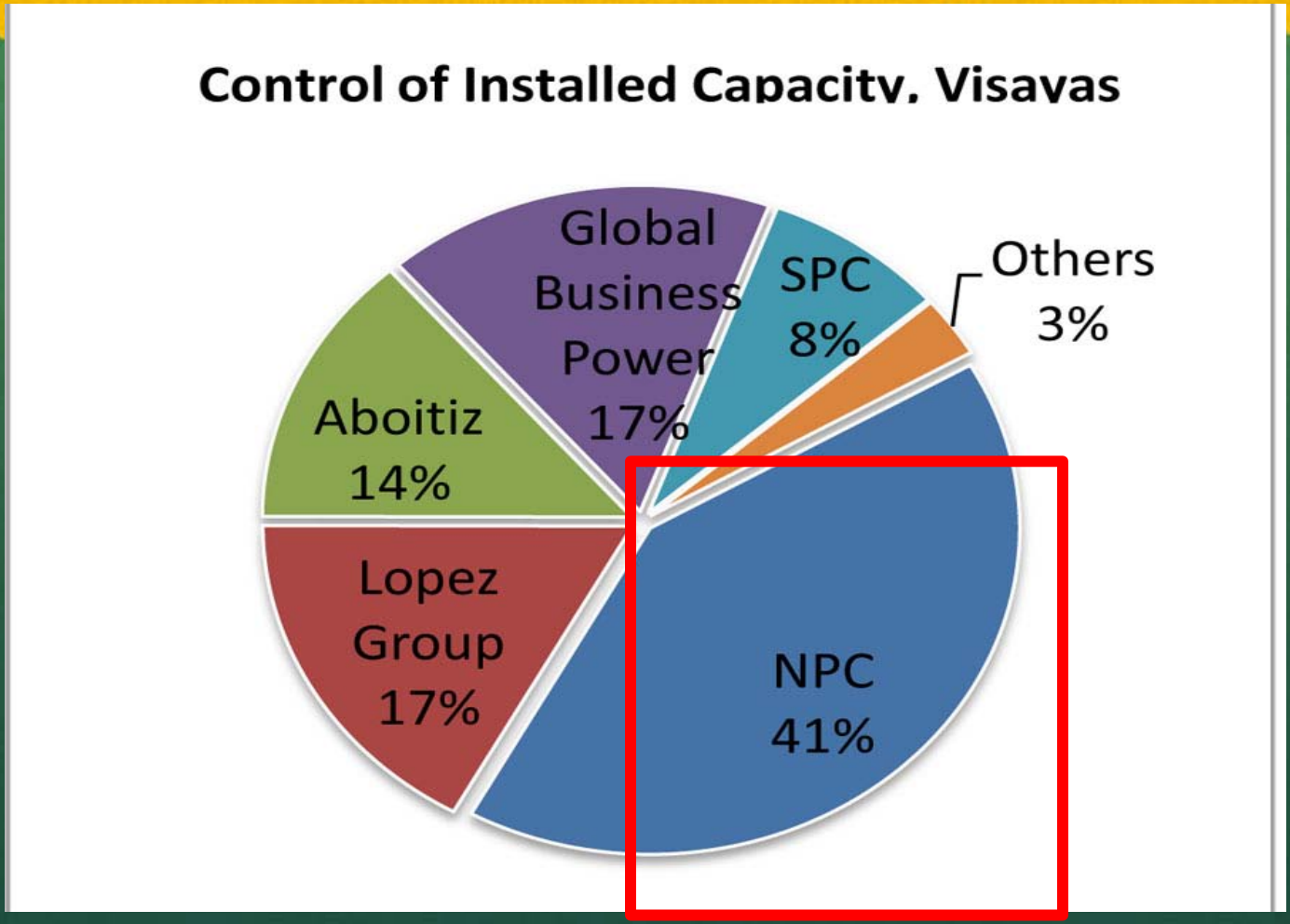
Global Business Power Corporation

Private Power in Luzon



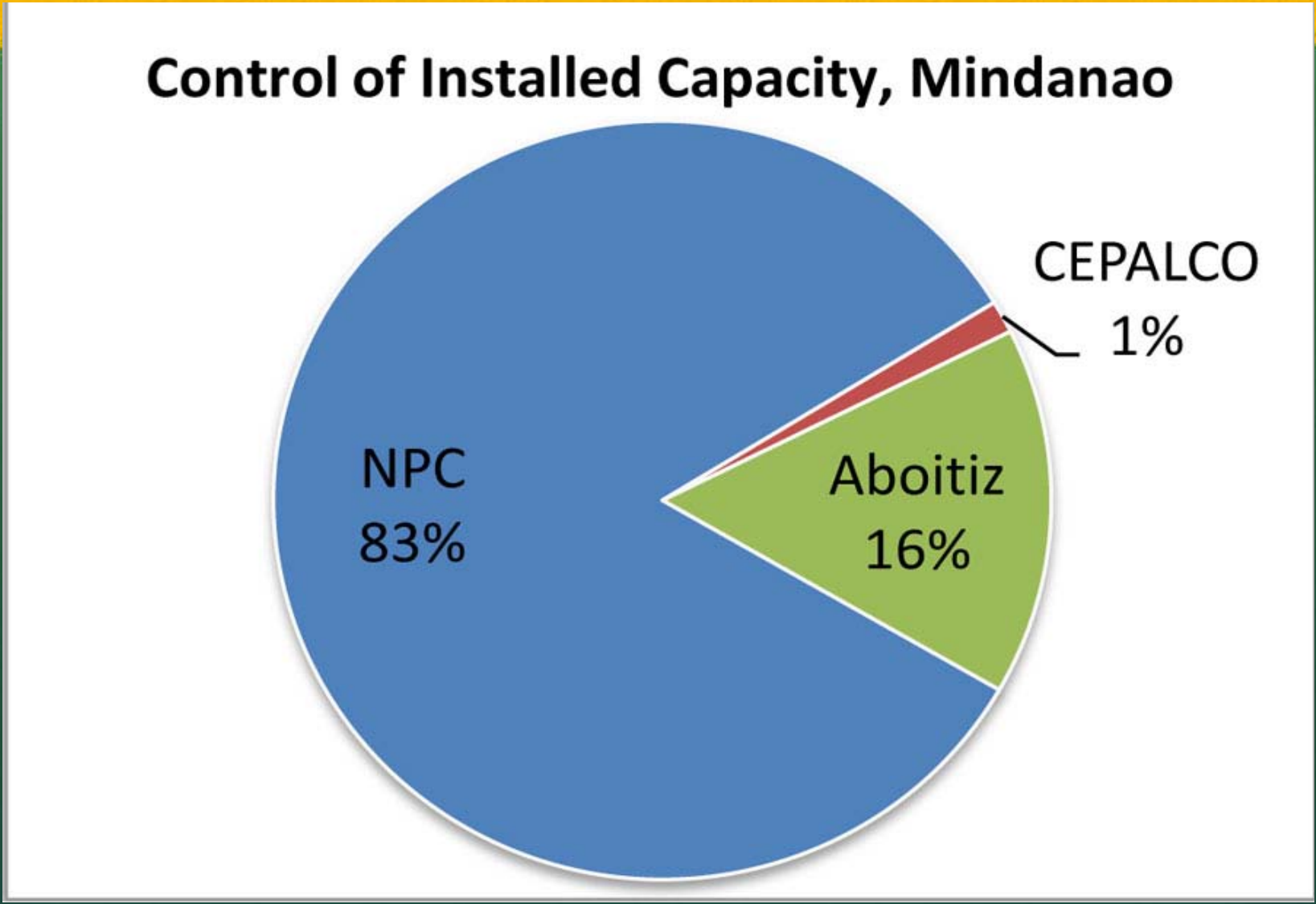
Source: Philippine Electric Power Industry Market and Policy Assessment and Analysis of International Markets , UP Engineering Center, May 2011

Private Power in Visayas



Source: Philippine Electric Power Industry Market and Policy Assessment and Analysis of International Markets , UP Engineering Center, May 2011

Private Power in Mindanao



Instead of reliable energy supply…

Power Crisis!

- We have power crisis in Mindanao and other parts of the country
- This "manufactured" crisis created windfall profits for the power barons!
- EVERY ONE (1) CENTAVO PER kWh INCREASE REPRESENTS P657,000,000.00 ($15.2 MILLION) PER ANNUM

View of Southeast Asia Night Sky

In 1992 …

… and in 2009

Not much progress for the Philippines. It's classified as dark night light for a country with a large population density.

Source: ADB

Instead of lower costs…

Escalating Rates

* Meralco effective rate (residential)

Resisting and Reclaiming Power!

Resisting Corporatization in the Electric Cooperative Sector

- Electric Cooperatives (ECs) services 8 million households that are spread out in 80% of the land.
- Through public subsidies, the ECs managed to electrify 99% of all the barangays in the country.
- When EPIRA was passed, we realized that ECs would be targeted for corporatization.
- **The problem is: these are cooperatives only in name**

Resisting Corporatization in the Electric Cooperative Sector

- APL started working with the electric power workers around 10 years ago.
- We realized early on that to defend workers' jobs, we have to democratize the electric cooperatives.
- Our formula:
  - Strong unions = consolidated union + organized consumers + efficient and professional management

Resisting Corporatization in the Electric Cooperative Sector

- We also had to have a clear alternative of how to turn electric cooperatives around – the coop-to-coop partnership.
- **For 5 years, we held back government's plans to turn over the electric cooperatives to corporate control.**

Resisting Corporatization in the Electric Cooperative Sector

- This year, the government, fearing the growing popularity of the union's alternative, forced the issue by calling for a referendum in ALECO. The union lost by just 2,000 votes.
- Fortunately, the referendum failed to get the required 20% participation rate.
- The union went on strike last September 13.
- The fight is still on.

Our Urgent Tasks

- Defend the 119 electric cooperatives in country employing at least 20,000 workers.
- Amend the EPIRA Law and lower electricity costs.
- Push for transition to REs
  - Stop the government from operating the mothballed nuclear power plant.
  - Stop new coal power plants from being established.
  - Draw up and implement a roadmap towards REs
- Develop advocacy for climate jobs and just transition.

TRADE UNIONS FOR ENERGY DEMOCRACY

- TUED is a global initiative aimed at ensuring energy democracy
- TUED calls for "emergency energy transition" towards renewable energy and democratic controls of energy systems to address the crisis brought about by climate change.
- TUED demands *energy democracy* – which refers to the transfer of resources, capital and infrastructure from private hands to a democratically controlled public sector in order to ensure that a truly sustainable energy system is developed in the decades ahead.

TRADE UNIONS FOR ENERGY DEMOCRACY

- The trade unions declared that: “energy democracy offers perhaps the only feasible route to a new energy system that can:
  - Protect workers’ rights and generate decent and stable jobs
  - Be responsive to the needs of communities
  - Make just transition real
  - Create an energy system based on environmentally sustainable methods of energy extraction, transport and use
  - Make serious progress towards ending energy poverty globally”

TRADE UNIONS FOR ENERGY DEMOCRACY

- To effect an “emergency energy transition”, the trade unions declared that there is a need to…

resist, reclaim and restructure the world’s energy systems.