

'21 FEB 15 A9 :29

SENATE
P.S. RES. No. 649

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Introduced by Senator WIN GATCHALIAN

A RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION ON THE COUNTRY'S ENERGY TRANSITION PLAN, OR LACK THEREOF, IN RELATION TO THE DEPARTMENT OF ENERGY'S MORATORIUM ON GREENFIELD COAL POWER PLANTS WITH THE END IN VIEW OF DEVELOPING AND ENSURING AN EQUITABLE, SECURE, AND SUSTAINABLE ENERGY TRANSITION

1 WHEREAS, it is the policy of the State to: i) enhance productivity in power
2 energy without sacrificing ecological concerns under Section 2(b) Republic Act No.
3 (RA) 7638 or the Department of Energy Act 1992; ii) promote the utilization of
4 indigenous and new and renewable energy resources in power generation under
5 Section 2(h) of RA 9136 or the Electric Power Industry Reform Act of 2001; and iii)
6 utilize renewable energy resources as tools to reduce harmful emissions under Section
7 2(c) of RA 9513 or the Renewable Energy Act of 2008;

8 WHEREAS, energy transition is defined as "a transformation of the global energy
9 sector from fossil-based systems of energy production and consumption to renewable
10 energy sources;¹"

11 WHEREAS, according to International Renewable Energy Agency (IRENA), energy
12 transition is "a pathway toward transformation of the global energy sector from fossil-

¹ Energy Transition. S&P Global. 4 February 2020. Available at <https://www.spglobal.com/en/research-insights/articles/what-is-energy-transition>. Accessed on 7 January 2021.

1 based to zero-carbon by the second half of this century.² It is necessary to reduce
2 energy-related Carbon Dioxide (CO₂) to limit climate change;³

3 WHEREAS, on 12 December 2015, 196 parties entered into Paris Agreement, an
4 international treaty on climate change.⁴ Article 2(1)(a) of the Paris Agreement provides that
5 its purpose among others, is “[h]olding the increase in the global average temperature to
6 well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature
7 increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce
8 the risks and impacts of climate change.⁵” To achieve this goal, countries, through their
9 respective nationally determined contributions (NDCs), provide for actions they plan
10 to take to reduce their GHG emissions and to build resilience to adapt to increasing
11 temperatures;⁶

12 WHEREAS, on 15 October 2015, the Philippines communicated to the United
13 Nations Framework Convention on Climate Change (UNFCCC) its Intended Nationally
14 Determined Contributions (INDC) of 70% GHG emissions reduction by 2030 relative
15 to its business as usual (BAU) scenario.⁷ Thereafter, on 28 February 2017, President
16 Rodrigo Roa Duterte signed the Paris Agreement,⁸ and on Senate on 14 March 2017,
17 the Senate of the Philippines adopted Senate Resolution No. 320 concurring in the
18 Accession to the Paris Agreement.⁹ At the present, the Philippines is in the process of
19 drafting its updated NDC.¹⁰ The draft text of the updated NDC provides that the
20 Philippines aims to reduce GHG emission by 30% by 2040 from its BAU scenario¹¹ - a
21 40% decrease and a ten-year extension of the current NDC;

² Energy Transition. IRENA. Available at <https://www.irena.org/energytransition>. Accessed 7 January 2021.

³ Id.

⁴ The Paris Agreement. United Nations Climate Change. Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>. Accessed 7 January 2021.

⁵ Article 2(1)(a) of Paris Agreement (2015). United Nations. Available at https://unfccc.int/sites/default/files/english_paris_agreement.pdf. Accessed on 7 January 2021.

⁶ The Paris Agreement. United Nations Climate Change. Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>. Accessed 7 January 2021.

⁷ Republic of the Philippine Intended Nationally Determined Contributions. UNFCCC. Available at <https://www4.unfccc.int/sites/submissions/INDC/Published%20Documents/Philippines/1/Philippines%20-%20Final%20INDC%20submission.pdf>. Accessed on 27 January 2021.

⁸ Duterte finally signs Paris Agreement on Climate Change. Philippine Daily Inquirer. 2 March 2017. Available at <https://globalnation.inquirer.net/153030/duterte-finally-signs-paris-agreement-climate-change>. Accessed on 16 November 2020.

⁹ Senate concurs in ratification of Paris Agreement. Senate of the Philippines. 14 March 2017. Available at http://legacy.senate.gov.ph/press_release/2017/0314_prib1.asp. Accessed on 7 January 2021.

¹⁰ Philippines' scaled-down climate commitment called 'underwhelming, shameful'. Philstar Global. Available at <https://www.philstar.com/headlines/2020/12/28/2066721/philippines-scaled-down-climate-commitment-called-underwhelming-shameful>. Accessed on 7 January 2021.

¹¹ Id. (citing draft text of NDC provided by Aksyon Klima).

1 WHEREAS, one of the key strategies developed by DOE as laid out in the
2 Philippine Energy Plan(PEP) 2018-2040 to meet the country's NDC is by providing an
3 option for gradual replacement of fossil fuels with alternative fuels.¹² Despite this, the
4 Philippines recorded a 5.4% jump in total GHG emissions, from 123.3 million ton of
5 CO2 equivalent (MtCO_{2e}) in 2018 to 130 million MtCO_{2e} in 2019.¹³ As of 2019, the
6 power generation sector has the largest share in total GHG emission at 53.2% followed
7 by transport sector at 27.3%. Moreover, in terms of fuel type, coal and oil account for
8 52% and 41.4% of total GHG emissions of the country respectively. In fact, as of
9 2019, total GHG emission from coal increased by 7.1% from 2018 numbers, and total
10 GHG emission from oil increased by 4.2%.¹⁴ Moreover, the percentage of coal in the
11 power generation mix increased from 26.6% in 2009 to 54.59% in 2019 while RE's
12 share in the power generation mix decreased from 32.6% in 2009 to 20.79% in
13 2019;¹⁵

14 WHEREAS, the PEP fails to provide a clear energy transition framework given
15 the country's NDC and the aforementioned policies laid out in RA 7638, RA 9136 and
16 RA 9513. Although, the PEP provides projections of a drop in GHG emissions by 329.1
17 MtCO_{2e} in 2040 under a clear energy scenario (CES)¹⁶ and states recommendations
18 to achieve this, it does not indicate specific goals such as reduction targets for coal
19 and oil usage as well as higher targets for RE and alternative fuels within a specific
20 timeframe.¹⁷ Also, the PEP does not specify how the reduction in GHG emissions
21 under a CES scenario would affect the country's NDC;

22 WHEREAS, on 27 October 2020, the DOE declared a moratorium on
23 endorsement for greenfield coal power plants.¹⁸ According to DOE's Advisory,¹⁹ the
24 aim of the moratorium is to improve energy sustainability, reliability, and flexibility by

¹² Page 165 of PEP 2018-2040. DOE. Available at <https://www.doe.gov.ph/sites/default/files/pdf/pep/pep-2018-2040-as-of-01052020.pdf>. Accessed on 7 January 2021.

¹³ Page 21 of Philippine Energy Situationer 2019. DOE. Available at https://www.doe.gov.ph/sites/default/files/pdf/energy_statistics/2019-energy-situationer.pdf. Accessed on 7 January 2021.

¹⁴ Id.

¹⁵ Computations are based on data from page 60 of Key Energy Statistics 2019. DOE. Available at https://www.doe.gov.ph/sites/default/files/pdf/energy_statistics/2019-key-energy-statistics.pdf. Accessed on 8 January 2021

¹⁶ Pages 46-50 of PEP 2018-2040. DOE. Available at <https://www.doe.gov.ph/sites/default/files/pdf/pep/pep-2018-2040-as-of-01052020.pdf>. Accessed on 7 January 2021.

¹⁷ Id.

¹⁸ DOE Sec. Cusi declares moratorium on endorsements for greenfield coal power plants. Department of Energy. 27 October 2020. Available at <https://www.doe.gov.ph/press-releases/doe-sec-cusi-declares-moratorium-endorsements-greenfield-coal-power-plants>. Accessed on 15 November 2020.

¹⁹ 22 December 2020. DOE Memorandum for Power Sector Stakeholders with the Subject: Advisory on the Moratorium of Endorsements for Greenfield Coal-Fired Power Projects In Line with Improving the Sustainability of the Philippines' Electric Power Industry.

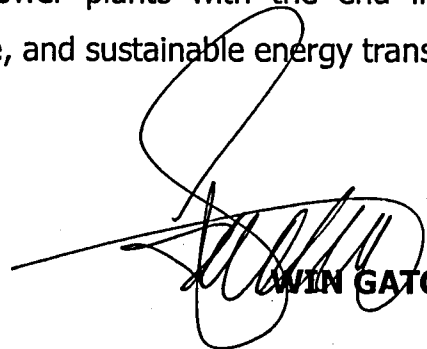
1 (1) increasing the renewable energy share in the energy mix; (2) promoting new
2 technologies; (3) increasing system flexibility; and (4) adhering to higher
3 environmental standards;

4 WHEREAS, it is uncertain if the moratorium was issued in the context of a larger
5 energy transition plan to meet the NDC given that there is no clarity as to its length,
6 how it will shape the country's energy mix, and what its effect will be on GHG
7 emissions. In fact, a study by Fitch Solutions shows that the Philippines is expected
8 to continue its dependence on coal in the coming years,²⁰ with coal accounting for
9 59% of the country's energy mix by 2029;²¹

10 WHEREAS, it is important for the country to have a clear energy transition
11 framework to attain its commitments under the Paris Agreement and in accordance
12 with the policies laid out in RA 7638, RA 9136, and RA 9513. Furthermore, it is crucial
13 for the country to have a holistic policy to enable it to meet its Paris Agreement goals
14 while at the same time ensuring that its energy transition plan would not sacrifice the
15 adequacy, continuity, affordability, and reliability of energy supply in the country;

16 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the
17 Senate Committee on Energy to conduct an inquiry, in aid of legislation, on the
18 country's energy transition plan, or lack thereof, in relation to the Department of
19 Energy's moratorium on greenfield coal power plants with the end in view of
20 developing and ensuring an equitable, secure, and sustainable energy transition.

Adopted,



WIN GATCHALIAN

²⁰ Coal to remain king in Philippines' energy mix despite ban – Fitch unit. Philstar Global, 4 January 2021. Available at <https://www.philstar.com/business/2021/01/04/2068128/coal-remain-king-philippines-energy-mix-despite-ban-fitch-unit>.

²¹ Id.