

Column for Business Mirror
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The Entrepreneur

The Proper Time for RE Development

I AM pro-environment. My record proves that I have been engaged in massive tree-planting even before I entered politics. I have developed my own nursery to produce tree seedlings. And now, through the Villar Foundation's Sagip-Ilog program, my wife, former Congresswoman Cynthia A. Villar, and I have been engaged in cleaning up rivers throughout the country.

I continued advocating environmental protection and development when I was elected to Congress, where I co-authored and led the passage of the landmark Clean Air Act of 1999.

So, I don't think I can be accused of being anti-environment when I state my position on the ongoing debate over the renewable-energy issue.

I agree with the position taken by the Department of Trade and Industry, specifically Trade and Industry Secretary Gregory Domingo on the issue. He has been quoted in news reports as saying that the price of electricity in the Philippines, which is the highest in Asia, will increase further if the government decides to subsidize renewable energy.

As a businessman, I agree with Secretary Domingo's position that the high price of electricity in the country is already a big deterrent to investments. We cannot expect investors to establish heavy industries here because such projects are also power-intensive.

In fact, I believe that in addition to liberalization, high power rates are the reason our industries have not been able to grow as fast as those in neighboring countries. And because heavy industries are also big employers, high power rates are blocking job generation.

Developing renewable energy is laudable, but the timing is not right. Our country is already the second-largest producer of geothermal energy with 1,904 megawatts or about 18 percent of total capacity as of 2010, just behind the United States with 3,086 megawatts. And, utilizing other sources of renewable energy like wind and the sun that require technologies which are still expensive, will entail subsidies that will be borne by consumers already burdened with high electricity bills at present.

Again, I agree with the position of the trade and industry department that while the development of our renewable-energy resources is mandated by the Renewable Energy Act of 2008, it would be prudent to defer it.

We should allow other countries to continue developing the technologies for renewable energy. In time, these technologies will become cheaper and reliable. When that time comes, perhaps we will be able to benefit from the promised cheaper electricity from renewable sources.

The deterioration of the global environment resulting from high greenhouse-gas emissions was primarily caused by the industrialized, developed countries, not by emerging economies like the Philippines.

Compared with these countries, we are responsible for a small share in global pollution. And, with our position as the second-largest producer of geothermal energy, I believe we are already contributing a big share to environment preservation.

The wealthy economies have the resources to develop renewable energy and bring down the cost of the technologies and equipment to produce cheap electricity.

This is only proper because they are the ones mainly responsible for the environmental problem anyway.

For the Philippines then, the immediate challenge is how to bring down electricity rates so more investments will come, which will help us establish an industrial base, and which, in turn, will lead to more jobs and higher wages.

The argument for renewable energy is that it will be cheaper than energy from fossil fuels in the long run. So let's wait for that time. Then there would be no need to subsidize power producers at the expense of consumers.

Right now, public interest dictates that renewable-energy development be set aside.

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