

From: SBFCC Admin <sbfccadm@pldtsubictel.com>
Sent: Monday, August 15, 2011 3:22 PM
To: sbfcc_members@subicchamber.org
Subject: Redondo Coal-Fired Power Plant

Dear **SBFCC Members**,

The issue about the Redondo coal-fired powered plant has again reared its head so I think it is best that members be informed of what went on and its present status. Here's a brief historical timeline:

28 Jul 2006 – Memorandum of Understanding (MOU) between SBMA and Taiwan Cogeneration Corp (TCC) regarding the latter's proposal to build a coal-fired power plant

11 Aug 2006 – letter by TCC regarding proposed location of ash pond

4 Dec 2006 – SBFCC letter to SBMA Administrator Armand Arreza (ACA) opposing the Redondo coal-fired power plant

Dec 2006 – Environmental Impact Statement (EIS) submitted by TCC

22 Dec 2006 – SBMA Ecology Center consultation meeting with the Subic Bay Resorts Association (SUBRA) and later, with SBF locators

24 Jan 2007 – Manifesto from the Alliance for the Preservation and Enhancement of Subic Bay

26 Jan 2007 – Subic Coal-Fired Power Plant Presentation to Locators by TCC

4 Apr 2007 – SBMA's Ecology Center issues Environmental Compliance Certificate (ECC) to TCC

7 May 2008 – DENR's Environmental Mgt Bureau's (EMB) Public Hearing at Cawag Elem School, Subic, Zambales (there was another one conducted at around this same date at the Aristocrat Restaurant)

12 Jul 2007 – SBFCC letter to DENR Sec. Angelo Reyes, re: opposition to coal-fired power plant

26 Jul 2007 – SBFCC letter to newly appointed DENR Sec. Jose Atienza Jr, re: opposition to coal-fired power plant

27 Dec 2007 – SBFCC letter to VP Luis Aboitiz, re: opposition to issuance of ECC to TCC

12 Mar 2008 – Danny Piano's report to the SBFCC regarding the circulating fluidized bed technology based from a similar TCC power plant in Taiwan

14 May 2008 – SBFCC's letter to DENR-EMB's Julian Amador opposing the plant

22 Dec 2008 – DENR, which essentially "voided" SBMA's ECC, issues their own ECC to the Redondo project nonetheless

6 Oct 2010 – HHIC (Hanjin) writes SBMA regarding their concern about possible effects of dust from the power plant to their painting operations

14 Dec 2010 – Redondo Peninsula Energy's (RP Energy) replies to HHIC saying essentially there is negligible or no effect

28 Jun 2011 – Pres. Aquino showed support to coal-fired power plants when he inaugurated a plant in Cebu and said, "While the power plant we are inaugurating today does not necessarily produce renewable energy, it does comply with the Clean Air Act"

22 Jul 2011 – Meralco PowerGen Corp. takes majority stake in the Subic Bay 600-megawatt coal-fired power plant. Secretary Jose Rene Almendras of the Department of Energy who witnessed the signing said that the Philippines will continue to rely on coal as a major fuel for power generation

The Subic Bay Freeport Chamber of Commerce has been at the forefront of this issue and has submitted several position papers regarding our opposition to the Redondo coal-fired power plant. **The SBFCC position has not changed.**

Unlike some people who today profess knowledge about the issues concerned and what went on, we were actually there since the start. Since 2006, we spent, mostly on personal time, hundreds of hours researching the facts; attending public hearings; and gathering, studying, and analyzing documents we can get our hands on.

While the Subic Bay Freeport obviously has a need for more reliable and cheaper electricity, we are also a premier tourism destination. But, we do not want to be fear mongering as others do since the plant that will be built is based on the new and much cleaner circulating fluidized bed (CFB) technology; it is a case of NIMBY or not-in-my-backyard in our case.

Some SBF manufacturers who in the past did not care much about the power plant when electricity was more reliable and cheaper have now expressed concern due to the continuing rise of electricity rates. Studies by the Philippine Chamber of Commerce and Industry (PCCI), of which the SBFCC is a member, have shown that unless something is done, the Philippines will have electricity supply problems. Also, that the Philippines now have the highest electricity rate in Southeast Asia. It also said that we need the right mix of renewable but expensive energy and non-renewable but less expensive energy like coal. It is a necessary evil, the same as our gas-guzzling cars and SUVs. It is analogous to the reason why we are not all driving hybrid cars—because we cannot afford them.

In short, the cause for concern of many manufacturers is not without basis, as do the concern of tourism-related companies about the potential effects of the power plant to the environment and tourism. It is a case of being caught between a rock and a hard place.

But, are we really going to get cheaper electricity rates from the Redondo plant?

Just today, another newspaper release came out from the Philippine Daily Inquirer titled, “Subic locators not primary beneficiary of coal-fired power plant.” If this is true then we won’t get much of the cheaper electricity that we are hoping for in the first place. Fortunately, it is not entirely accurate. The nodal billing and open access system that will become effective nationwide late this year will take care of that. Basically, the cost of transmission will depend on how close one is to a power generation plant. The closer we are to one, the cheaper the transmission cost. Not to mention the plan to provide generation cost discounts to Freeport locators if the previously proposed 69kv line for a 50MW block to the Freeport mainland is found to be impractical.

In any case, the stark reality is that the Redondo plant project is going to push through. It already has, in fact. The project proponent has already started its development which it expects to complete by 2015. Even as we have not changed our position, even if we have been fighting it since 2006, the reality is we lost this fight. Some organizations and people who were not there during the fight when it was happening are now making it appear to be the gladiators—when the fight is all but over. The past Arroyo administration has approved the project more than two years ago. The present Aquino administration is for it, too, because of the impending power crisis and since it complies with the strict Philippine Clean Air Act in the first place.

Friends, we cannot fight a fight that is over. While hope springs eternal, we must also be pragmatic. What your Chamber is now trying to achieve relative to this project is to make sure that appropriate monitoring systems are put in place and that the visual impact of the power plant to tourism is minimized. I had made a suggestion to the project proponent that the 24/7 emission display on their computer monitoring system be made available to the public via a website. This way, anybody can monitor the emissions and there will be transparency. I look forward to winning this one at least. Strict monitoring is very important and is the reason why some coal-fired power plants like the one in Oahu, Hawaii and Redondo Beach, Los Angeles, California are able to co-exist with both commercial and tourism establishments. For this reason, we will lobby to be part of the authorized monitoring team as well.

I hope I have provided a summary of all the information we have on hand relative to the Redondo power plant project. You may agree with me or not on some or all of it but, as your president, it is my duty to present it as it is.

Sincerely,

Prof. Danny Piano
President