

Part One of Book II: "A People Caught in Its Own Dung"

By Ado Paglinawan

Philippine Energy Secretary Angelo Reyes has asked Congress for some 3-billion pesos to finance a power contingency plan to ward off a nationwide power crisis by 2010.

At a recent committee hearing he said that "starting last year (2008) we were already experiencing brownouts in the Visayas, we are now experiencing brownouts in Mindanao and that the critical period for Luzon is next year."

Secretary Reyes added "the Philippines would need 4,100 megawatt additional capacity for the period 2008 to 2017, (broken down to) about 3,000 for Luzon ; 500 for Visayas and 600 for Mindanao ."

This drew an immediate retort from Makati City Mayor Jejomar Binay, the United Opposition president, who warned that Malacañang might use the threat of blackouts to justify President Arroyo's exercise of emergency powers to exploit public fear of a failure of elections next year.

Editor's Note: Please read a related article about the forecast failure of the Philippine elections in May 2010:

["Oplan NO-EL" Is Back on the Drawing Boards](#)

"These powers could also be abused and may end up as the equivalent of the billion-peso IPP (Independent Power Producers) irregularities during the Ramos administration." Mayor Binay said.

The looming crisis could get in the way of democracy as Energy Secretary Reyes cannot even guarantee there will be no brownouts during the May 2010 national elections.

We all know the mayor is not a saint and perhaps one of most-corrupt creations of the Aquino regime, but before naked corruption became the overt agenda of choice among public officials especially with the rise of Gloria Macapagal Arroyo to power, the love for counterproductive and corrosive polemics have always been well entrenched in our culture.

For instance, for the sole reason that it was to become a Marcos legacy, Cory Aquino's cordon sanitaire rushed her into mothballing the Bataan Nuclear Power Plant.

This project was not thought of overnight. It was constructed after extensive technical, engineering, environmental and social studies. To begin with, the Philippine nuclear program started as early as 1958 with the creation of the Philippine Atomic Energy Commission (PAEC) under Republic Act 2067.

In response to the heavy strain the 1973 oil crisis that the Middle East oil embargo had put on the Philippine economy, President Ferdinand Marcos believed nuclear power to be the solution to meeting the country's energy demands and decreasing dependence on imported oil. So Marcos decided to build the Bataan Nuclear Plant. Construction began in 1976.

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When an international scare followed the 1979 Pennsylvania's Three-Mile Island accident, however, construction temporarily stopped to allow a fine-combed safety inquiry. The accident and the inquiry required 4,000 corrections. This included one measure reinforcing the foundation of the plant because an issue was raised that it was located near major earthquake fault lines and that it was close to the then dormant Pinatubo volcano and

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By 1984, when the BNPP was nearly complete, its cost had reached \$2.3 billion.

But the "People Power" revolution overtook Mr. Marcos and installed Cory Aquino as President. Despite whatever justification went into the equation, the project was torpedoed only after completion, a few months before its test firing.

The objections began with corruption charges and later settled into safety issues.

The disastrous effect of the mothballing of this humungous infrastructure project was felt starting in 1989 even before she left power because she took no alternative action to replace the cheap electricity that would be lost.

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Manila Standard's Antonio Abaya recalls "in 1987 Cory Aquino, under pressure from environmentalists and anti-US bases activists (who connected the horror at the US bases' presumed nuclear weapons with the horror at nuclear energy in general), ordered the mothballing of the completed Bataan Nuclear Power Plant.

"That removed 620 mw from the projected capacity of Napocor's power generation program. This major slack could have been made up for by the about-to-be completed 300 mw Calaca power plant in Batangas and 300 mw Masinloc power plant in Zambales.

"But these two power plants were not (also) commissioned by President Cory because of environmentalists' objections to their use of coal, then as now, considered a dirty fuel."

Mr. Abaya continued to reminisce those dark days, "The resulting power shortage resulted in debilitating power outages in Metro Manila and other areas that lasted up to 10 hours everyday up to 1994."

The columnist continued "It also forced thousands of private households, including mine and thousands of offices, shops and factories, to buy and operate their own generators during the

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outages, adding considerably to their overhead expenses and, more importantly, generating more pollution than what the environmentalists had hoped to prevent.

“It stunted the country's GDP to negative 0.6 percent in 1991 and positive 0.3 percent in 1992, causing the closure of hundreds of enterprises and the loss of jobs for hundreds of thousands of workers.”

So Mrs. Aquino's successor, Fidel Ramos, spent the first few years of his administration remedying the extensive brownouts the whole Luzon grid. Luckily (or unluckily as this series will show), General Ramos was an engineer who has better grasp that without ample power, the development of the country can come to a halt and who can arrive at systems for a quick turn-around, even if were a stopgap in the transition.

{xtypo_quote} A nation wallows in the stench of its own decay, all because the Filipino has a problem for every solution. -Ado Paglinawan {/xtypo_quote}

During his State of the Nation address on July 27, 1992, immediately after he was sworn to office, President Ramos requested Congress to enact a law that would resurrect an energy

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department on a Cabinet level (a ministry that Ferdinand Marcos created but Cory Aquino also abolished) that would plan and manage the Philippines

' energy demands. Congress not only revived the Energy Department but gave him special emergency powers to resolve the looming crisis.

Yes you read it right, emergency powers barely five years after Ferdinand Marcos was booted out of office. Without which however no President can move fast enough to bypass the thick bureaucracy seeking the solutions to stabilize the entire society.

That more or less described how intensely serious and scary the situation was. Can you imagine how much longer it would have taken if Cory Aquino took another six years in office? I have to admit that prospect teased me into nightmares of sending our entire country back to its Jurassic days, because really a lot of households had already returned to using firework to cook food, a recourse deadly to the ozone layer.

Using the powers given to him, then President Ramos issued licenses to independent power producers (IPP) to construct power plants within 24 months. The power crisis was resolved in 1994 but unfortunately, Ramos issued supply contracts that guaranteed the government would buy whatever power the IPPs produced under the contract in U.S. dollars to entice investments in power plants, even if such power were not used at all.

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This became a problem during the East Asian Financial Crisis when the demand for electricity contracted and the Philippine peso lost half of its value. This caused the Philippine price of electricity to become the second-highest in Asia, after Japan.

The untold losses and opportunities the brownouts created have never been determined but the long-term burden still haunts us more than thirty years after.

The Case vs. Westinghouse Was Dismissed

The Cory Aquino government also sued Westinghouse for overpricing and bribery, in an attempt to squeeze out of its contract with the American firm. I still remember the days when I would go to New Jersey from my diplomatic base in Washington, DC, to monitor the proceedings of the case. But after a most expensive litigation that only made the pockets of foreign lawyers bulge, the case was dismissed by the United States federal court.

We settled the principal of \$2.3-billion in April 2007, all in American dollars not Philippine pesos. Where do you think the repayment came from? Of course, from foreign borrowings as when have we ever been self-sufficient anyway?

Payment of the interests, however, tolled on us Filipino taxpayers heavily as we chalked out \$155,000 a day in interest alone to pay Westinghouse. That was a whooping additional \$1.7-billion added to the principal.

Total cost? \$4.0-billion!

But what about the scare of the alleged proximity to an earthquake fault and volcanoes?

The effects of Mt. Pinatubo's eruption were felt worldwide. It ejected roughly 10-billion metric tons (10-cubic kilometers) of magma, and 20-million tons of sulfuric acid, bringing vast quantities of minerals and metals to the surface environment. It injected large amounts of aerosols into the stratosphere —more than any eruption since that of Krakatoa of Indonesia in 1883.

Well, after 500 years of inactivity, Mount Pinatubo erupted in June 1991 producing what historians recorded as the second largest terrestrial eruption of the 20th century after the 1912 eruption of Novarupta in Alaska but the largest eruption in living memory.

Scientists noted that colossal eruption walloped a Volcanic Explosivity Index (VEI) of 6 some 1,000 years after its last previous equivalent. (Washington State's Mount St. Helen's 1980 eruption registered only VEI 5.)

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The Bataan Nuclear Plant Is Testament to the Aquino Administration's Incompetence

Well, Greenpeace and all the anti-nuclear ideologues are still labeling it with a skull and crossed bones in big bold letters, but the latest development is that even after Mt. Pinatubo dealt its cataclysmic fury on the immediate area and the whole world, scientists and experts have come in and out of the Bataan Nuclear Power Plant and has found it still very feasible.

In search of solutions as early as last year, Energy Secretary Reyes had an eight-man team of the International Atomic Energy Agency (IAEA) led by Akira Omoto, inspect the mothballed Bataan Nuclear Power Plant on prospects of future rehabilitation.

But while on that thought, note that debt repayment on the plant had become the country's biggest single obligation, even bigger than its national budget for three decades, and while successive governments have looked at several proposals to convert the plant into an oil, coal, or gas-fired power station, all those alternatives have been deemed less economically attractive in the long term than the construction of new power stations or the refiring of the nuclear plant.

Note too that the looming crisis could get in the way of democracy as Secretary Reyes cannot even guarantee there will be no brownouts during the May national elections scheduled for next year.

Today, the Bataan Nuclear Power Plant is the single biggest white elephant in the Philippines that has been demonized as the hallmark of greed and corruption of the Marcos years but what is now appearing to be the monument of the incompetence of the Aquino regime.

On the drawing boards, it was originally meant to cost around 500-million dollars. All told, this has cost us \$4.0-billion and yet it has never powered so much as a light bulb.

Starting next year and peaking in 2011, the Philippines is expected to produce alarmingly less electricity than its consumers demand, and so what are we to do?

The exterior of the Westinghouse-designed plant is badly worn, with rusted ladders, crumbling masonry and jammed doors. Inside, the control room looks like the set of a 1970s James Bond film – there's not a computer in sight and everything is analogue. But the massive turbine and the surprisingly small reactor look pristine to the naked eye.

The swift solution proposed is to retool the plant at the cost of one-billion dollars and get more than 600 megawatts. Or for the same money, built another series of power plant fired by expensive fossil fuel to generate less power output with a dirty exhaust to the ozone layer at that?

The congressman sponsoring the motion to resurrect the project says the plant is only allowed to emit, in one year, the amount of radiation you get from eating one banana. And if I may add, the exhaust coming out of nuclear plants is the friendliest to the ozone layer.

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But tell that to the so-called green advocates, and they will strike the guts out of you with their scare tactics, surrounding the word “nuclear”.

A nation wallows in the stench of its own decay, all because the Filipino has a problem for every solution. # # #

E ditor's Note: To read the various chapters of Book Two, please click on these hyperlinks:

[The Genesis of a Nuclear Philippines](#) (Part III)

[Protocols on Nuclear Security, Safety and Technology Transfer](#) (Part II)

[After the Deluge, Soon the Return of Massive Brownouts?](#) (Part I of Book II)

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