

Fast Facts – Philippine Energy Efficiency Project

- The Asian Development Bank (ADB) has provided a US\$31 million loan in support of the \$46.5 million Philippine Energy Efficiency Project.
- Under the project, 13 million compact fluorescent lamps (CFLs) will be distributed, free of charge, to homes and businesses throughout the Philippines – replacing inefficient incandescent light bulbs.
- The budget for the bulb replacement program is US\$ 18 million.

A Few Firsts for Asia

- This is the very first nationwide program in Asia to replace incandescent bulbs with CFLs.
- This is the first time an Asian country is receiving carbon market credits for replacement CFLs.
- The Philippines is aiming to be the first country in Asia to be incandescent bulb free – by 2010.

Cost Savings for Families

- Families can save 400 pesos a year for each incandescent bulb they replace with a CFL.
- CFLs can last up to 10 years – 10x longer than traditional bulbs – providing additional costs savings.
- Even families that buy new CFLs themselves will realize an overall cost savings from lower energy bills and unneeded incandescent bulb replacements.

Big Savings for the Philippines

- The project will save US\$ 100 million in annual fuel costs, and allow the deferment of US\$ 450 million in new power plant construction costs.

- National CO₂ emissions will be reduced by 300,000 tons a year, allowing the Philippines to receive approximately 300,000 tons of certified emission reduction (carbon market) credits annually.
- The project pays for itself and starts realizing a positive cash flow within the very first year.

Incandescents vs. CFLs

- Incandescent bulbs are inefficient. Less than 20% of the electricity used by these bulbs produces light, while the remaining 80% is wasted as heat.
- CFLs use the vast majority of electricity input to produce light.
- There are over 40 million inefficient incandescent bulbs in operation in the Philippines.
- Every 1 million incandescent bulbs that are replaced by CFLs translate into a 50 MW reduction in electricity demand. The construction cost of a new 50 MW power station is over US\$ 50 million.

The Costly Challenge of Powering the Philippines

- Electricity demand in the Philippines is expected to double by 2030.
- Without action, there could be power shortages in Luzon and Visayas as soon as 2012.
- In rural areas, incandescent bulbs constitute over half of evening peak power loads – when the marginal generation cost is 5-10 more than off-peak times.
- CFL use can reduce peak demand by 40-80%, significantly reducing generation costs.

ADB Support for the Philippines' Energy Sector

- ADB has provided almost US\$ 3 billion to support the improvement of the Philippines' power sector, helping expand barangay (village) electrification coverage from 55% in 1986 to 94% in 2006.