

Mindanao WESM targeted for launch in early 2023

THE INDEPENDENT Electricity Market Operator of the Philippines (IEMOP) said it hopes to launch Mindanao's wholesale electricity spot market (WESM) by the first quarter of next year.

In a virtual briefing, Isidro E. Cacho, Jr., IEMOP's head of Corporate Strategy and Communications, said the launch could precede the energization of the Mindanao-Visayas Interconnection Project (MVIP).

"We are also working with the DoE (Department of Energy), ERC (Energy Regulatory Commission), PSALM (Power Sector Assets and Liabilities Management Corp.), Mindanao electric

cooperatives and stakeholders, hopefully we can launch WESM before MVIP," Mr. Cacho said in a briefing last week.

Mr. Cacho said WESM Mindanao needs to launch before the MVIP is completed.

"Hopefully we can launch the WESM before the completion of Visayas interconnection," he said.

The P52-billion MVIP aims to connect the three main grids to ensure the sharing of energy across the network.

The project, which was certified in 2018 as an Energy Project of National Significance, was initially targeted for completion by December 2020. The NGCP then

said the project is expected to be completed in 2022 due to delays caused by the pandemic.

"If the MVIP is completed first and we do not have a market yet, the question is, who would pay for the power flowing in the interconnection?" Mr. Cacho said.

According to a joint application of IEMOP and Philippine Electricity Market Corp. (PEMC) to the ERC, approval is being sought for market fees for Calendar Year (CY) 2023.

Market fees are determined under Section 30 of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA), authorizing the

market operator to recover the cost of administering and operating the wholesale electricity spot market.

The joint application seeks provisional authority for IEMOP to impose a market fee of P0.0093 per kilowatt hour (kWh) on all power supply registered with the WESM, based on actual generation. It estimated that the proposed market fees for CY 2023 will generate P1.16 billion.

IEMOP is a non-profit operator of WESM.

WESM is the venue for generators to sell excess power not committed to long-term contracts. — **Ashley Erika O. Jose**

P250-M startup fund expected to be launched next year

THE DEPARTMENT of Trade and Industry (DTI) said it hopes to roll out a P250-million startup fund by early next year.

Trade Undersecretary Rafaelita M. Aldaba said the Startup Venture Fund (SVF) had been delayed by the change in administration.

"We're just finalizing the guidelines and then it will be implemented. We hope that by the beginning of 2023, we will be able to do that. We had a change in administration," Ms. Aldaba told *BusinessWorld* on the sidelines of a briefing in Taguig City last week.

"The new sets of leaders are still reviewing the pending projects for implementation. We are just trying to complete that process. Definitely, we are going to implement the project," she added.

On Nov. 19, the DTI collaborated with the National Development Co. (NDC) and partnership platform for startups QBO Innovation Hub to launch the SVF.

The SVF's P250-million budget is from the NDC and is targeted at startups in the seed to series B stage.

In a statement, Ms. Aldaba said that the startup ecosystem

has grown to over 1,000 active startups.

"Looking back, the Philippine startup ecosystem has grown so much since we first got together in 2015. Back then, only 100 Philippine startups were reported to be active, with \$40M in investment and funding. Today, we see individual startups raising \$30M in one round alone and growing the ecosystem to more than 1,000 active startups," Ms. Aldaba said.

Ms. Aldaba proposed that schools and universities review their curriculum to guide students into a technology entrepreneurship track.

She added that investors and industry should collaborate to develop local talent, with the government's role seen as creating an enabling environment for startups to grow and innovate.

"While the Philippine startup ecosystem has yet to reach its full potential, we Filipinos are not lacking in talent or mindset. What we need are concrete actions to build ecosystems for startups to innovate and disrupt the status quo, building new solutions which will be our anchor in driving our future economy forward," Ms. Aldaba said. — **Revin Mikhael D. Ochave**

Increasing RE should take priority over going nuclear, think tank says



INCREASING the share of renewable energy (RE) in the power mix should take priority over the Department of Energy's (DoE's) plans to introduce nuclear power, an energy think tank said.

Gerry C. Arances, executive director of Center for Energy, Ecology, and Development (CEED) said in an e-mail on Friday that the lack of attention paid to renewables "condemns Filipinos to decades more of pollution, high energy prices, and permanently chaotic climate systems."

The Institute for Climate and Sustainable Cities (ICSC) has called nuclear power inconsistent with the DoE's goal of modernizing the power sector and called for the establishment of competitive power industry conditions before nuclear power is introduced.

"Nuclear power remains far more expensive than intermittent unreliable coal. The more government insists on welcoming all power generation technologies, the more it must ensure genuine competition," it said.

On Friday, Energy Secretary Raphael P.M. Lotilla urged the National Power Corp. (Na-

pocor) to consider tapping modular nuclear reactors to supply electricity to remote areas.

"As we go down the road and consider new opportunities in modular nuclear or even the future of fusion as a source of power, these are the opportunities that we may look into," Mr. Lotilla said.

Napocor has asked Congress to augment its 2023 budget to ensure the continued operation of the small power utilities group (SPUG), which manages 278 facilities in remote areas.

Napocor cited the volatility of fuel prices, which will require a doubling of the originally budgeted funds at current price levels. Fuel accounted for almost 70% of Napocor's operating costs for SPUG plants as well as for power provider subsidies.

Napocor focuses on providing power to islands and communities not connected to the main grid.

President Ferdinand R. Marcos, Jr. said in his State of the Nation Address that it is time to examine the need for adding nuclear power to the energy mix.

Israel water industry sees Cebu as potential market for desalination technology

By Alyssa Nicole O. Tan
Reporter

ISRAEL's water industry considers Cebu as a potential market for desalination technology to address its inadequate water supply, Israel's economic attaché to Manila said.

"Cebu has a shortage of water... and one of the (solutions) for that can be desalinated water... Israel has a lot of experience here. We have five desalination plants... we think that this experience can be very relevant to a place like Cebu," Economic Attaché and Head of the Manila

embassy's Economic Mission Tomer Heyvi told *BusinessWorld* on the sidelines of the Israeli Water Technologies Roadshow.

Global water solutions provider Global Environmental Solutions and Aqwise Vice President for Business Development and Sales Harel Rauch said at the same event that the Philippines is viewed as a "very attractive market."

He said it was "one of the markets where we want to develop operations... We find that it's really suitable for (Israeli) technologies, and will be one of the countries that will be part of our strategy for the next few years."

"We'll start with partnerships with local companies, and after that, based on the operations, we'll see if we want to open an office or not, but we truly believe it's a country we should focus on," he added.

Mr. Heyvi said Israel's Foreign Trade Administration is planning to bring in a Philippine delegation in July to demonstrate its various water management technologies, with a view towards possibly forming partnerships with Philippine businesses.

"We plan to bring a big delegation from the Philippines to Israel to see with their own eyes desalination plants, treatment plants, and how water is managed in Israel,"

He described the plan to tour the delegation as a major project for next year.

"In Israel, we look at the Philippines as a potential market and a potential partner for collaboration in water," he added. "I think that this delegation will command the attention of their Israeli counterparts."

"Every municipality has its own operations in case of a water shortage," he said, noting that one of the highlights of the tour could be a visit to "the second largest desalination plant in the world."

He also touted "the efficiency of water management at the municipal level."

Being invited to participate are Maynilad Water Services, Inc. and Manila Water Co.

"At the end of the day, we want to make sure that you are well-equipped to achieve water efficiency," Mr. Heyvi said, noting that Israel can offer cost-efficient solutions for detecting water leaks, among others.

Last week Israel brought to the Manila its first water delegation since the beginning of the pandemic. Seven leading Israeli water technology companies met with their Philippine counterparts during their week-long stay.

"We know that some (Philippine water companies) are already using Israeli technologies like control valves, pressure valves, and water meters," he said.

Collaboration is "already happening, but looking at the future, we brought this delegation from Israel because we think that there are certain areas that we can definitely tap," he added. "One of them is desalination."

Mr. Rauch said the Philippines will have to develop its wastewater treatment capabilities.

"You're not treating all of the wastewater," he said. "You need to increase your wastewater treatment that enable you to have, let's say, less expensive desalination. Usually wastewater treatment requires energy, but today with new technology, new processes, you can shift (to an energy-positive stance)."

"I think this is something that may also be relevant here because of increasing energy costs and all of that," he added. "That may be something we need to see implemented in the Philippines."

Desalinated sea water is the second-largest source of potable water in Israel, whose five plants source water from the Mediterranean sea, with the capacity to supplying 660 million cubic meters of fresh water per year, Mr. Heyvi said.

Israel also claims global leadership in water reclamation, he added, with 87% of its water treated and reused. Reused water is the main water source for Israeli agriculture, which accounts for 55% of water consumption.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls.

OPINION

Undaunted and unstoppable in the face of uncertainty

Throughout history, we have seen how times of great uncertainty and disruption have triggered sudden leaps and progress despite the problems and challenges they bring. The COVID-19 pandemic is no exception, it being the greatest global disruption the world has seen in many decades. Yet while the pandemic practically brought the world to a halt, it is also heartening to see how this period brought with it immense opportunities amidst many challenges. While it is true that many businesses suffered because of it, with many forced to close down, we have also seen numerous businesses accelerate their transformation and evolved to survive and then thrive as the world moved closer to post-pandemic recovery, pivoting their own business models and creating new ones.

When the pandemic disrupted business strategies and challenged continuity, companies were forced to place a renewed focus on people, purpose and technology. Crisis, after all, inspires innovation, and this holds especially true for entrepreneurs.

ENTREPRENEURSHIP AND INNOVATION DURING THE PANDEMIC

Though the pandemic caused many to lose their jobs, it also served as a catalyst

for many others to enter the business landscape as entrepreneurs. According to a survey by Sales Force, the pandemic created a unique batch of startups that saw new opportunities to create new markets and attract new customers during a period of heightened uncertainty. As much as 56% of the survey respondents share that starting a business now was easier than before the pandemic.

Most of the new start-up founders embraced technology from the beginning, using digital tools and searching for more technology-based solutions to fuel business growth.

NBC News reveals that entrepreneurs opened their own businesses at more than twice the rate seen in pre-pandemic times, aided by improved remote technology previously unavailable during other economic downturns like the Great Recession. Data from the US Census Bureau also shows that business applications nearly doubled during the first few months of the pandemic, remaining elevated and well above pre-pandemic levels. Economist Leila Bengali from the UCLA Anderson Forecast identifies lower fixed costs as one of the reasons for this, with the availability of the internet and a deeper familiarity with technology making it all the easier for innovative individuals to get their business online.

In an interview, Christy Wyskiel, Senior Advisor to the President of Johns Hopkins University for Innovation and Entrepreneurship, said that the essence of entrepreneurship is identifying an unmet need and moving as fast as possible to get a meaningful product to market — which is exactly what society needs during a crisis. The pandemic dramatically accelerated productive collaboration in the service of society, and the paradigm has now changed, particularly in this period of post-pandemic recovery. Entrepreneurs should not be paralyzed by uncertainty, but instead should seek long-term value and success by continuing to serve their existing customers while being ready to pivot when needed to address potential opportunities.

The pandemic also created a massive push towards digital transformation. In the Philippines, we now find almost every product or service available on online shopping platforms. Almost every brand in the country rapidly transitioned to existing online selling platforms or invested in developing their own online sales mechanisms. In the micro-sized enterprise space, people have gotten more used to the idea of starting their own businesses using digital tools and leveraging social media to take advantage of existing conditions — for example, during the lockdowns, the number of home-based online food sellers mushroomed like never before.

Many found surprising success and were able to cultivate regular customers due to people being unable to go out and dine. The pandemic also gave rise to new business opportunities in logistics, entertainment, personal care and many other areas.

CELEBRATING THE SPIRIT OF ENTREPRENEURSHIP

Analysts predict that the rate of growth of entrepreneurship will remain high in the post-COVID-19 economy, as shared by Forbes. Because of the massive increase in startups caused by the pandemic, developments on an individual entrepreneurship level will likely aid numerous economies.

As Gaston Taratuta, EY World Entrepreneur Of The Year 2022, said in his acceptance speech in Monaco, "Being an entrepreneur is more than just building a successful business. It's about creating and seizing opportunities where ones don't readily exist or aren't easily attainable." This has never been truer than in the stories of 18 indomitable Filipino entrepreneurs that we are celebrating in the Entrepreneur Of The Year 2022 Philippines program. The program recently concluded its search for the country's most successful and inspiring entrepreneurs with the theme of Undaunted. Unstoppable. And will be holding its awards gala tonight.

Guided by their purpose, motivated by their aspirations and fueled by their

relentless determination, these Filipino entrepreneurs helped empower communities and uplift the nation. Their stories have been published in *BusinessWorld* over the past few weeks with the hope that in sharing them, present and future entrepreneurs can be further inspired by their struggles and successes.

Entrepreneurs showed us that a single idea can spark positive change and disrupt the status quo. According to a 2023 study, "Entrepreneurship during a pandemic," entrepreneurs have been known to act as focal points during a time of crisis, playing a critical role in the context of post-disaster recovery by providing leadership and signaling that their communities are likely to survive. This same spirit burns strong within Filipino entrepreneurs who lead as Undaunted visionaries, equipped with Unstoppable resilience and the ability to adapt.

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