

JICA says Mindanao rail plan not ready for funding decision

By Ashley Erika O. Jose
Reporter

THE Japan International Cooperation Agency (JICA) said it is not ready to make a funding decision on the Mindanao Railway Project as it awaits the completion of a feasibility study with revised project parameters.

“Because the original plan was to be done by China, we did not have any master plan or any feasibility study. It is not mature for JICA to consider,” JICA Chief Representative in the Philippines Takema Sakamoto told *BusinessWorld* recently.

The Department of Transportation (DoTr) has said it is considering official development

assistance (ODA) from various sources, including the World Bank, Asian Development Bank and JICA, after ruling out Chinese funding.

Last year, the DoTr said the Philippines is withdrawing its request for Chinese ODA for the Mindanao Railway, the South Long-Haul railway, and the Subic-Clark Railway project, due to lack of progress on financing.

“We have a long list for the railways sector. From the viewpoint of (JICA) management, jumping into a new project like Mindanao (railway) might be difficult for the Japanese government to raise the needed resources,” he said.

In June, Transportation Secretary Jaime J. Bautista said the DoTr is planning to overhaul the Mindanao Railway Project to use

more modern and environment-friendly trains.

The original plan for the Mindanao Railway involved diesel-powered trains.

Non-electrified railways are difficult to attract investors due to global warming concerns, Mr. Sakamoto said.

“But now (Mr. Bautista) is saying that he is now planning to revise the plan, the obsolete, outdated non-electrified system. So, let us see,” he added.

Earlier this year, the DoTr announced that it will continue to work on the first phase of the Mindanao Railway project by pursuing some pre-construction activities despite the absence of funding.

The first phase of the Mindanao Railway project is valued

at P83 billion. It will run from Tagum, Davao del Norte to Digos City, Davao del Sur. It is expected to carry 122,000 passengers per day and cut travel time between Tagum and Digos from three hours to one.

JICA has said that it would like to continue funding Philippine railway infrastructure projects.

In March, the government and JICA signed two loan commitments agreements valued at 250 billion yen, which will fund the ongoing construction of the Metro Manila Subway and a road project that includes what would be the longest tunnel in the country.

It also recently partnered with Sumitomo Corp. and Hankyu Corp. to support the operations and maintenance of Light Rail Transit Line 1.

US nuclear regulator sees more engagement with PHL on safety

THE US Nuclear Regulatory Commission (NRC) expects increased engagement in nuclear safety with the Philippines, and also sees the latter's development of a nuclear power industry attracting interest from US companies.

The two countries have entered into a civil nuclear cooperation agreement, paving the way for the US to export nuclear fuel and equipment.

NRC Chairman Christopher T. Hanson said the US-Philippines Agreement for Cooperation Concerning Peaceful Uses of Nuclear Energy, also known as the “123 Agreement,” took effect on July 2, unlocking more cooperation from the US.

“I think you're going to see an increase in the activity and the support that the NRC is going to be providing to the Philippine Nuclear Research Institute (PNRI) and its successor organization as the regulatory body,” Mr. Hanson said in a media roundtable on Thursday.

Mr. Hanson is on a two-day trip in the Philippines to meet with Department of Energy (DoE) officials and other officials to discuss US support for the Philippines' civil nuclear program.

He met with Rep. Mark O. Cojuangco, who chairs the House committee on nuclear energy, to discuss enabling legislation to set up the Philippine nuclear regulator.

He said the NCR will bring three PNRI experts to the US for training in nuclear power engineering and will organize a workshop for nuclear power executives.

“I hope these will enable the Philippines to think about how they might like to pursue the development of their regulatory body,” he said.

Asked about the readiness of the Philippines for nuclear energy, Mr. Hanson said that the Philippines has a strong foundation.

“My view is that the Philippines has a really strong foundation. The Philippine government already regulates the safety and security of radioactive materials for the healthcare and agriculture industries,” he said.

He added that the country has qualified and highly educated workers all over the world who are “ready to come home and support the nuclear program.”

“So, I think there are a lot of really strong things, and the reason for my visit is to talk to officials in the DoE here in the Philippines as well as the PNRI about what their priorities are for developing that nuclear safety framework,” he said.

The 123 Agreement, signed by Washington and Manila in November last year, provides a legal framework for the export of nuclear materials, equipment, and components from the US to the Philippines.

It permits the transfer of information, nuclear material, equipment, and components directly between the Philippines and the US to support potential nuclear power projects with US suppliers.

With the 123 Agreement in place, Mr. Hanson said that the NRC is willing to share its analysis of the licensed nuclear technology that a US company may offer for deployment in the Philippines.

“We can show how we went through that licensing process and performed the technical and confirmatory analyses to reach our determinations,” he said.

“But I want to really stress, though, that it is important, and it's my goal to help support and develop regulatory bodies here in the Philippines and in other countries who are capable of performing those analyses themselves,” he added. — **Justine Irish D. Tabile**

Battery technology evolving rapidly, making renewable ambitions doable — Energy dep’t

By John Victor D. Ordoñez
Reporter

THE Department of Energy (DoE) said on Thursday that battery technology is evolving fast enough to make its 2050 renewable energy (RE) targets feasible.

“We are trying to encourage more battery systems companies and we hope it will attract better technology,” Energy Undersecretary Sharon S. Garin told a Senate energy committee hearing looking into a bill seeking to develop the midstream natural gas industry.

“We do recognize that there are still limitations (in RE development); we do believe that technology will improve fast enough to catch up by 2050,” she added.

The Philippines is seeking to raise the share of RE in the energy mix from 22% to 35% by 2030 and to 50% by 2040.

She was responding to Senator Sherwin T. Gatchalian's question



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on the agency's efforts to develop more RE projects.

Energy Undersecretary Rowena Cristina L. Guevara has said the DoE plans to hold two green energy auctions before the end of the year, offering geothermal, pump-storage hydro and impounding hydro projects.

The Philippines is about to lose its only indigenous source of gas, the Malampaya gas field. Malampaya is expected to run out of easily recoverable gas using current techniques by 2027.

Legislators have been pushing for measures to ease the process of importing liquefied

natural gas (LNG) as Malampaya dwindles.

At the same hearing, Prime Energy Resources Development B.V. Managing Director and General Manager Donnabel Kuizon Cruz pushed for more exploration. She said Philippine exploration activity is lagging the rest of Southeast Asia.

“Indigenous gas ticks all the boxes as a transition fuel, consistently delivering stable prices and reliable fuel supply for generation,” she said.

Center for Energy, Environment and Development, Inc. Deputy Head of Legal Isabel Patricia C. Soresca cited the threat of greater LNG use to coral reef ecosystems, mangroves and water quality.

“Construction of fossil gas-fired plants entails land reclamation and other infrastructure, which will result in sedimentation or the increase of dirt and soil in the water,” she said.

“This damages and hinders the growth and proliferation of coral.”



NSCR Bulacan station nearing completion

THE Balagtas, Bulacan station of the North-South Commuter Railway (NSCR) is nearing completion, the Transportation department said.

The northern leg of the NSCR will have 10 stations, including Balagtas. The other stations are Tutuban, Solis, Caloocan, West Valenzuela, Meycauayan, Marilao, Bocaue, Guiguinto, and Malolos.

Taken as a whole, the northern leg of the NSCR project has made 60% construction progress as of May, the Philippine National Railways said.

The Transportation department said facilities at the 180-meter long Balagtas station in Bulacan will include a concourse and platform, elevators, escalators and accessibility for senior citizens and persons with disabilities.

“They are making progress at the Balagtas station and Malanday depot. We need to com-

plete, our plan is to have partial operations from Clark Airport to Valenzuela by 2027,” Transportation Secretary Jaime J. Bautista told reporters on the sidelines of a separate media event.

The 147-kilometer NSCR will connect Malolos, Bulacan with Clark International Airport, and Tutuban, Manila with Calamba, Laguna.

The Malanday depot of the NSCR is 72.10% complete. The depot will house the operations center of the railway project.

The P873-billion project is co-financed by the Japan International Cooperation Agency and the Asian Development Bank. It will have 35 stations and three depots.

Once fully operational the NSCR is projected to reduce travel time between Clark and Calamba to two hours, against the current four to 4.5 hours. — **Ashley Erika O. Jose**

Farmers want more say on coco trust fund use

By Adrian H. Halili
Reporter

COCONUT farmers say they are underrepresented on the body that determines the use of an industry trust fund sourced from assets acquired using the coconut levy.

“Farmers are nowhere on the Coconut Trust Fund Committee. So that has to be amended,” Charles R. Avila, executive director for the Confederation of Coconut Farmers’ Organizations of the Philippines, told *BusinessWorld*.

Republic Act No. 11521, or the Coconut Farmers and Industry Trust Fund Act, puts coconut levy

assets into a trust fund that will finance the rehabilitation and modernization of the coconut industry.

The law tasks the Bureau of the Treasury with transferring P10 billion immediately to the trust fund, P10 billion in the second year; P15 billion in the third year; P15 billion in the fourth year; and P25 billion in the fifth year.

The use of the fund is guided by the Coconut Farmers and Industry Development Plan.

The coconut levy from the first Marcos Presidency was improperly used to acquire assets for private gain. The assets were seized and later transferred to the trust fund after lengthy legal proceedings.

Yellow alert raised over Luzon grid

A YELLOW ALERT was raised over the Luzon grid for a second consecutive day after a forced outage at a gas-fired power plant and the derating of a coal-fired power plant, according to the National Grid Corp. of the Philippines (NGCP).

In an advisory early Wednesday, the NGCP said that the Luzon grid will be under yellow alert between 1 p.m. and 10 p.m., though the alert was called off shortly after 1 p.m.

The grid's available capacity was 12,376 megawatts (MW) against peak demand of 11,794 MW.

The NGCP said that factors that contributed to the raising of yellow alert were the unplanned outage of 417.4-MW

San Gabriel Power Plant in Batangas and the inability of four units of SMC Limay Coal Power Plant with capacity of 150 MW each.

The yellow was lifted at 1:10 p.m. after demand proved to be less than forecast and the shutdown of SMC Limay 1-4 was delayed.

A yellow alert is issued when the operating margin is insufficient to meet the transmission grid's contingency requirement.

A total of 1,893.5 MW was unavailable to the grid as 17 power plants have been on forced outage while 10 are derated.

Since April, the Luzon grid has been under red and yellow alerts for 11 and 33 days, respectively. — **Sheldeen Joy Talavera**

JBIC expresses interest in PHL Samurai bond issues and infra tie-ups

THE Japan Bank for International Cooperation (JBIC) has expressed interest in Philippine Samurai bond issues and green infrastructure, the Department of Finance (DoF) said.

The interest was conveyed in a meeting between Finance Secretary Ralph G. Recto and JBIC officials, the DoF said.

“JBIC Governor Nobumitsu Hayashi expressed strong interest in Samurai bond issuances, particularly green bonds, and explored potential cooperation in renewable energy projects, such as hydropower and power

grids,” the DoF said in a social media post.

The Philippines last issued Samurai bonds in April 2022, raising 70.1 billion yen.

Mr. Recto has said the DoF is looking to issue yen-denominated and dollar-denominated bonds within the year. However, the timing would be determined by the Federal Reserve's policy easing decisions.

The government plans to borrow \$5 billion this year, of which \$2 billion was raised from the issue of global bonds in May, leaving \$3 billion yet to be raised. — **Beatriz Marie D. Cruz**