

DBP to open facility for good energy projects

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The Development Bank of the Philippines (DBP) has agreed to open a credit facility that can be accessed by entities who are planning to implement energy efficiency projects.

This, as the bank entered into a deal with the Department of Energy (DoE), Soluziona Philippines and the International Finance Corporation-managed Efficient Lighting Initiative (ELI) to become a model among government-run financing institutions among those developed as energy service company or ESCO.

An ESCO is a business enterprise that develops, installs and finances projects designed to improve energy efficiency and reduce operations and maintenance costs for its customers' facilities.

ESCOs generally acts as project developers for a wide range of tasks and assume the technical and performance risk associated with the project.

ELI program country director Alexander Ablaza noted that they would want to position DBP as a model ESCO in the banking and finance sector.

For the ESCO credit window to be opened by DBP, Ablaza noted that they would help in the formulation of the implementing guidelines. The funds would be made available to both private and government entities who would carry out energy efficient systems in their lighting or other technical systems.

It was noted that fund may become part of the existing environmental loan facility currently extended by the Bank.

In transforming DBP as an energy efficient service firm, the Bank has initially batted for the retro-fitting of its lighting system in its head office in Sen Gil Puyat Avenue.

For this venture alone, DBP is projected to spend around P15 million. But Ablaza noted the Bank would reap more benefits once it makes its lighting system energy efficient, because this is seen to translate into millions of savings from the Bank's electricity bills.

"We believe that our collaborative efforts in developing the model ESCO transaction will allow us to tap the banking, finance and ESCO sectors as proactive agents of sustainable market transformation towards energy efficiency," Ablaza said.

The deal forged was dubbed DOE-DBP-ELI/Soluziona Model ESCO Transaction and was signed by Ablaza; Energy secretary Vicente Perez, Jr.; and DBP president and chief executive officer Simon R. Paterno.

Ablaza pointed out that the project will equip the ESCO industry with a tool to replicate other efficient lighting retrofit projects in the commercial, industrial and institutional sectors.

ELI is a global advocacy program funded by the Global Environment Fund (GEF) and administered worldwide by the IFC, that seeks to reduce harmful effects of greenhouse gas emissions through efficient lighting systems.