

# **An Interplay between Structural Change and Power Relation in the Energy Transition in the Philippines**

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## **1. PURPOSE AND BACKGROUND OF THE STUDY**

The purpose of this research is to explore the energy transition of emerging economies taking the Philippines as a case study. Energy transition is a relatively new field of research that aims to underpin how to *break away* from the lock-in and path-dependence to conventional energy like coal and enable a sustainable energy *transition*. However, existing studies have shown that energy transition is more challenging for emerging economies due to the greater tension exist between the need to increase energy supply vs. climate change; and the vicious socio-political conditions.

## **2. RESEARCH METHODOLOGY**

Our research adopts a Multi-Level Perspective on Socio-technical Transitions (or MLP) combine with the concept of power as the analytical framework. MLP distinguishes between multiple levels namely: *landscape*, *regime* and *niches*. MLP is useful in analyzing *how* transition is possible through the developments between these levels whereas: (a) changes at the landscape level puts pressure on the regime and at the same time provide opportunities for niche; (b) niche serves as ‘protective space’ against prevailing market conditions until it can challenge the existing regime; and (c) regimes represent the status quo and when destabilized can provide opportunities for niche to emerge. But while MLP is useful in analyzing the energy transition, the concept of power sheds light on the role of actors and the power they possess and exercise in a country’ energy transition pathways. In identifying the investment constraints facing niche-innovations, a semi-structured survey interview to small and emerging renewable companies in the Philippines. Analysis of this data is further complemented with extensive literature reviews and scholarly discussion on MLP and the concept of power.

## **3. SUMMARY AND CONCLUSIONS**

Subsequent landscape developments during the oil crisis in the 1970s and the Asian financial crisis in 1997 combined with the weak responses of the government resulted in the liberalization of the electricity regime under the EPIRA Law. Our findings suggest that the ‘new electricity market structure’ *changed* the power relations, from government to the ‘energy oligarchs’, and at the same time *reinforces* their power over the niche-innovators. To show how this interplay is *antagonistic* that puts the niche-innovators at a disadvantage, specific cases were analyzed under these two major categories to show the investment constraints (i) at the policy and government level (niche-innovators vs. the government); and (ii) at the market level (niche-innovators vs. the ‘energy oligarchs’). To conclude, the research has shown that the government has a crucial role to manage the transition by setting goals and creating a structure where power relations between actors can be *more or less balanced*. In so doing, this can encourage competition, perhaps even cooperation, to achieve similar sustainable energy goals.