



# Protect VIP

**FOR IMMEDIATE RELEASE**

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## **International groups decry fossil gas expansion in ‘Amazon of the Oceans’ in PH, urge financiers to back off gas projects**

MANILA - In a statement released Tuesday, an alliance of more than 100 civic organizations from over 20 countries raised alarm over the looming destruction of a biodiversity hotspot in the Philippines from massive plans for new fossil gas and liquefied natural gas (LNG) power plants and import terminals.

The Philippines is among countries frontlining reckless gas expansion in Asia. Having built dependence on coal in the last decade, the country now eyes a shift to another fossil fuel - gas - as its new ‘preferred fuel. From its existing 3.42 GW, gas capacity nationally will balloon by 29.64 GW if proponents have their way. With the Philippines’ primary domestic gas field, Malampaya, depleting, the country is also opening its floodgates to imported fuel supply with 9 LNG terminals in the pipeline.

### **Verde Island Passage, *Amazon of the oceans***

“The unfortunate epicenter of massive expansion plans for fossil gas” is a marine biodiversity hotspot known as the Verde Island Passage (VIP). Nestled at the heart of the Coral Triangle in the Southern part of Luzon, VIP houses about 60% of the world’s known shorefish species, over 300 coral species, and thousands of others - making it the most biodiverse marine habitat in the world and comparable to no less than an Amazon of the Oceans. This status, however, is in grave peril as Batangas, one of five provinces in its vicinity, houses not only 5 of 6 existing gas plants nationally, but also 8 of 27 proposed new plants, or 11.8 GW of the total 29.6 GW, and 7 of 9 planned terminals.

Local stakeholders and supporting groups are concerned this massive gas pipeline will bring increased shipping activities and disturbance to the marine corridor, create thermal pollution from seawater intake and outtake, and deface coasts all over Batangas - areas traditionally known as spawning grounds for fish and other sea creatures.

"VIP provides sustenance and livelihood to millions of Filipinos, and brings forth marine life that trickles onto other parts of the Coral Triangle. We risk losing this by embracing a destructive

industry like fossil gas,” said Fr. Edwin Gariguez, lead convenor of the Protect Verde Island Passage (Protect VIP) Campaign Network.

### **VIP: tip of the iceberg in massive destruction from fossil gas**

Today, projects in the most advanced development stages in Batangas provide a glimpse to the destruction the whole fleet of new fossil gas and LNG will bring in the VIP and other impacted areas. Case in point are Brgys. Ilijan and Dela Paz, the site of an LNG terminal proposed by Linseed Field Power Corporation and Atlantic Gulf and Pacific Co. (Linseed-AG&P), which lies adjacent to a new 1,700 MW plant of energy giant San Miguel Corporation (SMC).

The groups lamented the loss of flora and marine life along the coast of the project site, which scoping research by concerned groups proved to still be present months prior to clearing operations and dumping of soil into the sea for the terminal's jetty. This, amid concerns on the legality of their land clearing operations, zoning conversion, and compliance with environmental and social acceptability requirements.

“Linseed AG&P and SMC are proof that the fossil gas and LNG industry is destructive and violative. Anyone backing these projects is a culprit to the degradation of the Amazon of the Oceans,” said Gerry Arances, Executive Director of think-tank Center for Energy, Ecology, and Development Protect VIP co-convenor.

The VIP is but a tip of the iceberg - threats it faces will be mirrored by coastal communities hosting proposed fossil gas projects across the country, many of them - 13.9 GW, to be exact - thanks to SMC: a 300 MW LNG plant in San Carlos City, Negros Occidental facing the Tanon Strait; a 600 MW LNG plant in the coastal and agricultural municipality of Tabango, Leyte; a 300 MW LNG plant in Zamboanga City, Zamboanga del Sur; and a monstrous 12-unit, 6,492 MW LNG facility in the country's fishing capital, Navotas, to name a few.

### **Gas expansion, at what cost?**

In 2018, the Intergovernmental Panel on Climate Change (IPCC) reported a need to reduce global use of gas by 60% from 2010 levels by 2030 to help keep global temperatures to no more than 1.5 degree C. While touted by proponents as a cleaner alternative to coal because it is less carbon-intensive, fossil gas emits large amounts of methane - another greenhouse gas whose capacity to trap heat is 80 times greater than CO<sub>2</sub> over a two-decade period.

“Feeding gas into a climate-vulnerable country is no different from forcing poison down someone's throat. In moving away from coal, the task at hand is to begin a genuine transition to clean energy from renewables, not grab on to the next energy source that will actually take us farther from a climate-aligned future,” said Doug Norlen of Friends of the Earth USA.

Fossil gas leaks methane all throughout its life cycle. In the IPCC's latest report, global methane emissions from energy supply, primarily fugitive emissions from production and transport of fossil fuels, accounted for about 18% of GHG emissions from energy supply globally.

“We can't afford to waste precious time and money building dirty fossil gas projects while our planet is in crisis. Building new gas power plants and receiving terminals provides a reason for gas producing countries like the United States to pursue more extreme and far more polluting means of extraction. We urge financiers to stop investing in fossil fuel expansion and start investing in the clean energy future we need,” said Susanne Wong of Oil Change International (OCI).

On Monday, think-tank Institute for Energy Economics and Financial Analysis (IEEFA) also published a new analysis warning countries going into LNG importation against long-term impacts of the Russia-Ukraine war on prices of fuel.

“Massive expansion of fossil gas and importation of LNG will hurt the pockets of Filipino consumers who already pay for among the highest electricity rates in Asia. LNG is reaching record high prices in the global market, and its volatility is exacerbated by the ongoing energy crisis. We literally cannot afford a shift to LNG. At this time, the only sensible energy technologies to develop are those of renewables,” Arances added.

### **Finance fanning the flames of gas**

“No gas plant or terminal will be able to run if not for money piped into them by financiers. For the case of VIP, it seems a whole set of global banks and institutions are intent on funding its destruction,” said Becky Jarvis of Bank on Our Future.

Among known investors of AG&P include Japan's Osaka Gas and Japan Bank for International Cooperation (JBIC), and I Squared Capital. Active investors of EERI-SMC's gas plant include UBS AG, Allianz SE, BlackRock, CA Indosuez, Schroders PLC, and JPMorgan Chase & Co., among others. Other entities including Standard Chartered Bank, Mizuho, Credit Suisse, Deutsche Bank, DBS, and local banks China Banking Corporation and Development Bank of the Philippines (DBP) were found to have facilitated the issuance of securities for the projects of concern, turning into accomplices for the destruction of VIP.

“Japanese financiers need to evaluate the social and environmental footprints of the gas projects they are funding are leaving in host communities. Does JBIC want to be known for a track record of supporting destructive projects through public funding? It is also a clear violation of JBIC's own environmental guidelines, which require every JBIC-funded project not to involve significant degradation of critical natural habitats,” said Hozue Hatae of Friends of the Earth - Japan.

“The strong and growing movement to protect the Verde Island Passage and stop LNG development in the Philippines should serve as a serious warning to the Japanese government, private banks and other financiers. Dirty fossil gas projects will face the same fierce opposition and fate that dirty coal projects did. We urge financiers to stop destroying our future with dirty fossil fuels,” added Wong.

The groups said financiers supporting the Linseed-AG&P terminal and other fossil gas and LNG projects in Batangas should rethink their investment decisions and turn their attention to other genuinely sustainable and beneficial endeavors instead.

"While more financial institutions today are joining the global bandwagon of limiting coal related activities, the same could not be said for gas. Banks and investors funding reckless gas expansion in the Philippines and Asia should be called out for what they're doing: fueling climate chaos, and blocking what could be a swift transition to renewable energy," said Katrin Ganswindt, Finance and Energy Campaigner at Urgewald.

The groups agree that planned gas expansion in the VIP would not be made possible "if not for the government and private actors, particularly financial institutions, fanning the flames of fossil gas. There is still time before more coasts in VIP and elsewhere are made barren, more waters are stripped of life, and new gas plants and terminals begin their deadly operations. We urge you not to be culprit to the destruction of the Amazon of the Oceans."

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**For more information, please contact:**

[info@ceedphilippines.com](mailto:info@ceedphilippines.com)

+63 929 594 0057 (WA, Signal)

[www.protectvip.org](http://www.protectvip.org)