



‘Cost of grounding BNPP runs up to at least \$13 billion’

By Rainier Allan Ronda – June 17, 2022

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MANILA, Philippines — The “political decision” to mothball the controversial Bataan Nuclear Power Plant (BNPP) despite its readiness in 1986 had cost the economy at least \$13 billion, a leading economist said.

In his study titled “Competitiveness and Sustainability of Nuclear Energy and Discussion on the Adoption of National Position for Nuclear Energy” presented at a recent forum hosted by the National Academy of Science and Technology (NAST), economist Josef Yap said he arrived on the conservative estimate using “counterfactual” projections of the probable boost to gross domestic product (GDP) and productivity the 620 megawatts of electricity the BNPP would have provided way back in the late 1980s.

“Based on some counterfactual analysis on my part supported by conservative assumptions, I estimate the economic costs of the decision not to operate the BNPP was \$13 billion,” Yap, a former president of state-run Philippine Institute for Development Studies (PIDS), said.

“Perhaps this is the main reason why conventional wisdom about the BNPP has prevailed. No one wants to really talk about what was the economic cost, this would be classified as an inconvenient truth,” he said.

Yap noted that the decision not to operate the plant, opting to mothball it instead, was “political” in nature.

Currently serving as the senior technical advisor of the Access to Sustainable Energy Project-Clean Energy Living Laboratories (ASEP-CELLs) program of the European Union and the Ateneo School of Government, Yap said his research has yielded the fact that scientists and engineers were in support of calls for the reactivation of the BNPP.

“Based on my research, the BNPP was operational when the decision came to mothball it in 1986,” Yap said.

He said the International Atomic Energy Agency (IAEA) had issued a document unequivocally stating that the BNPP was operational even as early as 1984.

A concern that was being raised in 1986 regarding the presence of a fault line from a dormant volcano, Mount Natib, had even been officially and scientifically dismissed as “inconsequential”.

Carlo Arcilla, director of the Department of Science and Technology-Philippine Nuclear Research Institute (DOST-PNRI), said the estimated \$13 billion economic cost was a very low, conservative estimate.

“That’s a very conservative estimate, if you ask me. \$13 billion could already be high but it could easily be more than that because the power crisis, the blackouts that we suffered in the 1990s really caused major damage to our economy and really stopped our momentum and our push for industrialization,” Arcilla told The STAR in an interview.

Arcilla pointed out that the power blackouts led to the “take-or-pay,” expensive power generation deals

signed during the time of former president Fidel Ramos, to encourage power companies to build power plants.