Offshore Wind in the Philippines:

Offshore Wind Congress 2024

06-08 November 2024
Cadiz, Spain

The Energy Goal

Accelerate and expand the development of our indigenous energy resources in order to provide accessible and affordable energy to the Filipino people as we transition to a sustainable low-carbon future

Department of Energy

NREP 2020-2040

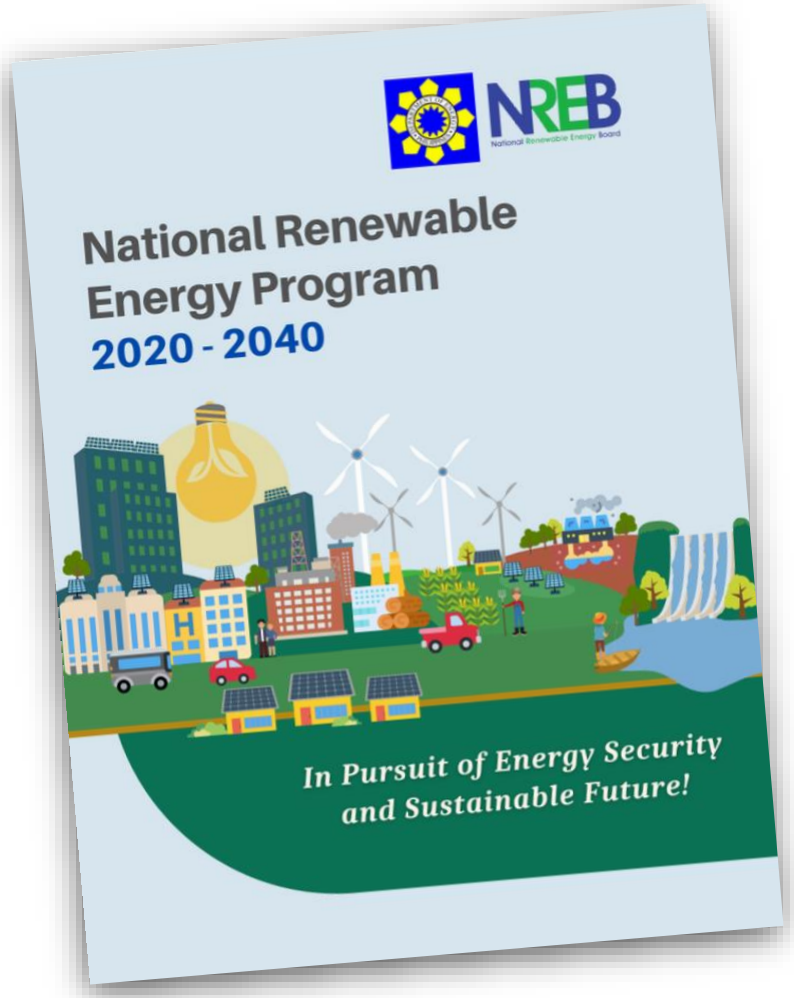
National Renewable Energy Program

35%

NREP sets a target of at least **35%** share of RE in the power generation mix by **2030**

50%

And aspires to increase it further to **50%** by **2040**



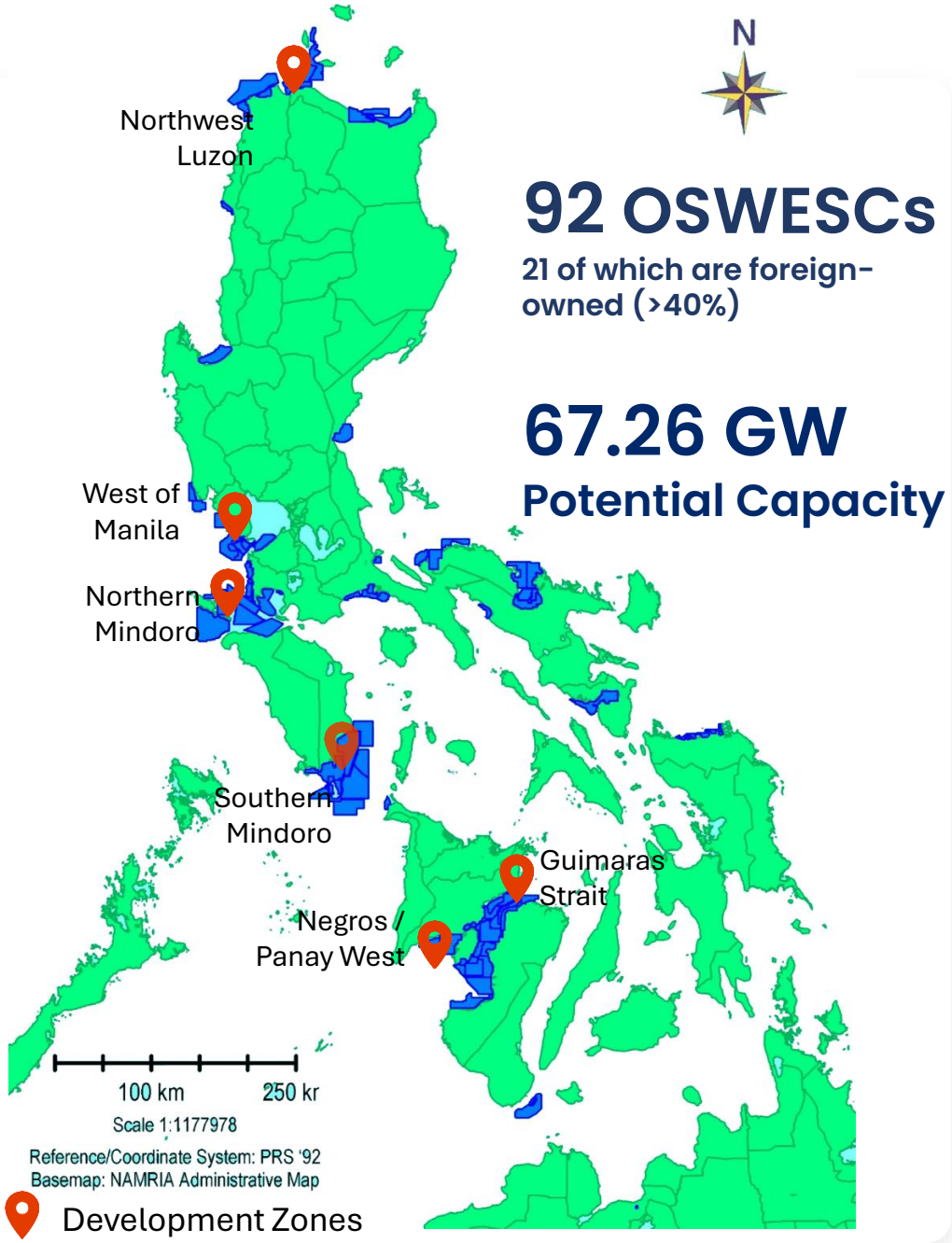
PEP 2023 – 2050 Scenarios

REFERENCE	• 35% RE share in power generation mix by 2030 • 50% RE by 2040-2050
CLEAN ENERGY SCENARIO 1 (High RE with **low OSW** + Nuclear + Coal Repurposing)	• 35% RE share by 2030, 50% RE by 2040, more than 50% by 2050 • Coal repurposing • Nuclear capacity of 1,200 MW by 2032, 2,400 MW by 2035 and 4,800 MW by 2050 • **19 GW of Offshore Wind (OSW) by 2050**
CLEAN ENERGY SCENARIO 2 (High RE with **high OSW** + Nuclear + Coal Repurposing)	• 35% RE share by 2030, 50% RE by 2040, more than 50% by 2050 • Coal repurposing • Nuclear capacity of 1,200 MW by 2032, 2,400 MW by 2035 and 4,800 MW by 2050 • **50 GW of Offshore Wind (OSW) by 2050**

OSW Awarded Contracts

6 OSW development zones with a **potential capacity of 178 GW**

Development Zones	# of Contracts	Contract Area (Has)	Potential Capacity (MW)
NW Luzon	9	187,384	7,739
Manila	9	120,771	6,702
N Mindoro	9	188,840	9,718
S Mindoro	11	404,556	11,117
Negros/W Panay	13	254,791	7,084
Guimaras Strait	10	174,879	6,424
Other Areas	31	429,967	18,477
T O T A L	**92**	**1,761,187**	**67,261**



92 OSWESCs

21 of which are foreign-owned (>40%)

67.26 GW

Potential Capacity

Recent updates in the Philippine RE policies and programs

Enabling Investments in RE

Easing Foreign Ownership Limit in RE Investments

The foreign ownership restriction that hampers the flow of RE-sector investments has been liberalized on 15 November 2022. Prior to this issuance, foreign companies were already allowed to participate in large-scale geothermal projects through Financial and Technical Assistance Agreements (FTAAs) and to operate biomass power plants in the Philippines.

Preferential Dispatch of All RE Resources in the WESM

On 05 October 2022, all RE generating units are given preference in the Wholesale Electricity Spot Market dispatch schedule to ensure its maximum output injection in the grid. This is to encourage additional investments because of guaranteed dispatch in the grid at their full available capacity, allowing recovery of investments.

Policy Framework for Offshore Wind

Following Executive Order No. 21 issued by the President, the DOE issued Department Circular No. DC2023-06-0020 titled "Policy and Administrative Framework for the Efficient and Optimal Development of the Country's Offshore Wind (OSW) Resources", in 16 June 2023. Studies such as Marine Spatial Planning, Grid Readiness, and Permitting and Consenting are being undertaken to hasten the development of OSW resources.

Renewable Energy Act of 2008

Incentives

FISCAL

- 7-Year Income Tax Holiday
- Duty-free Importation of Machinery, Equipment, and Materials
- Special Realty Tax Rate
- Zero Vat Rate
- Cash Incentives for Missionary Electrification

NON-FISCAL

- Feed-In Tariff System
- Renewable Portfolio Standards
- Net-Metering Program
- Green Energy Option Program
- RE Market

Regulatory Support for Greater Renewable Energy and Offshore Wind Deployment

1. Permitting and Tenurial Instruments
   - Robust, transparent, and timely processes for leasing and permitting.

2. Market Support
   - Competitive market system solely for OSW

3. Port Infrastructure
   - Suitably sized and strategically located ports are essential for the storage, assembly, construction and operation of OSW farms.

4. Grid Asset Availability
   - Extension and upgrades of transmission network and interconnection facilities when and where it is needed.

Permitting Process Readiness

Permitting and Consenting of Offshore Wind Projects

- Streamline processes for issuance of environmental permits
- Provide renewable energy producers access to offshore areas that can be explored for wind power production.

Energy Virtual One-Stop Shop (EVOSS)

- An online platform acts as a single decision-making portal for applications of permits.

RE Transition Pathways

Market Support

Green Energy Auction Program

Provides additional market for RE through a competitive electronic bidding of RE capacities

Green Energy Auction for Offshore Wind Capacities

Fifth round of GEA in 2025

Supports the goal to deliver the first kilowatt-hours from offshore wind projects by 2028

Renewable Portfolio Standards

Requires all load-serving entities, both in on-grid and off-grid areas, to source or produce a specified portion of their supply from eligible RE facilities

Renewable Energy Market

Serves as the venue for the transparent and fair trading of RE Certificates

Green Energy Option Program

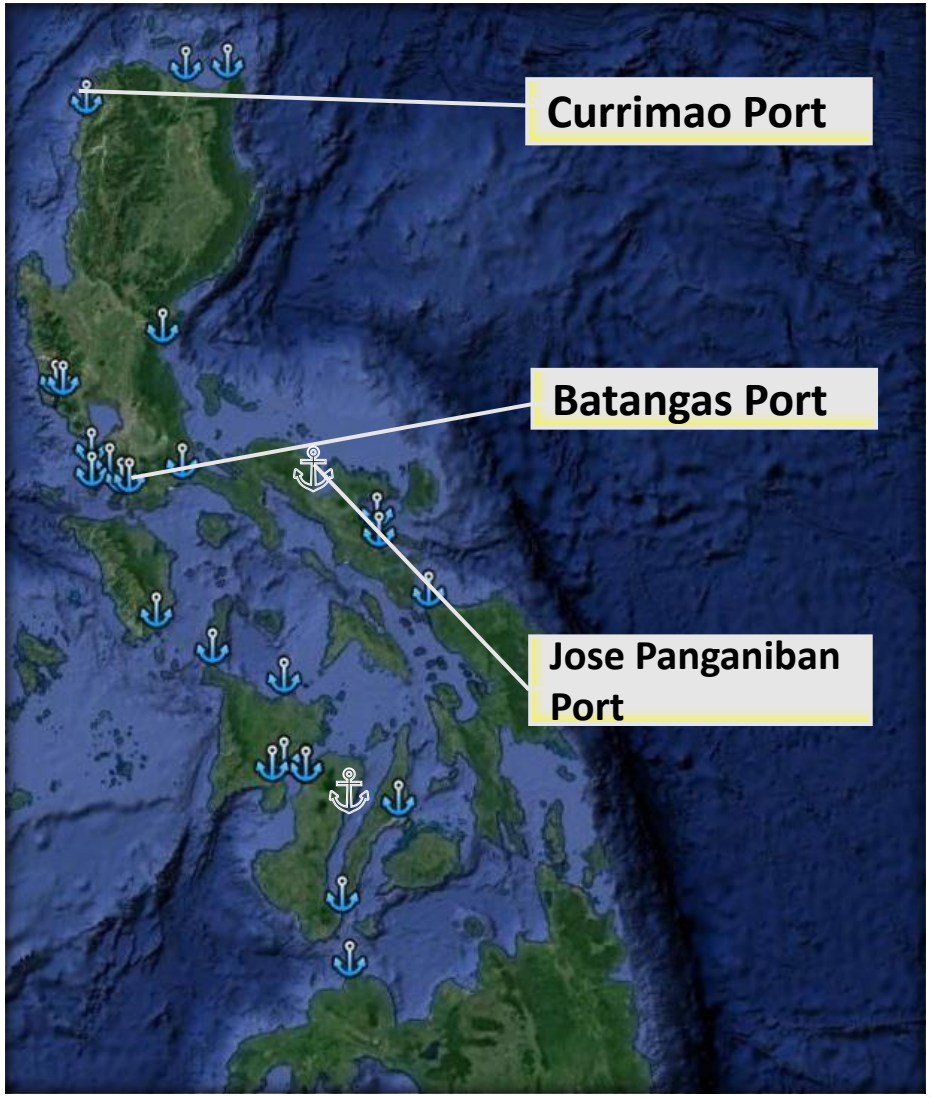
Provides end-users the option to choose RE resources as their electricity source

Repurposing/Expansion of 3 Ports

Repurposing/Expansion of 3 priority ports thru PPA:

a) Currimao (Ilocos Norte)
b) Batangas (Sta. Clara area)
c) Jose Panganiban (Camarines Norte)

→ *The Philippine Ports Authority (PPA) confirms thru a letter on their adherence in developing the three (3) ports for Offshore Wind purpose.*



Grid Infrastructure Readiness

1

Grid Integration and Transmission Planning for OSW Development

- Conducted by the World Bank Group(WBG).
- Review of wind speed model estimates and temporal trends.
- Modelling scenarios of offshore wind (OSW) buildout to investigate required grid upgrades
- Strategic planning and development of grid to unlock areas of most favorable OSW resource.

2

Smart and Green Grid Plan (SGGP)

- Initiated by the US Agency for International Development – Energy Secure Philippines.
- Aims to establish mechanisms to address the timely implementation of transmission projects and efficient operation of the grid.
- Create a framework to determine the level of completion of TDP Projects and the overall performance of electric power industry stakeholders.

Where we are headed

EEC

10% energy savings on oil products and electricity by 2040 up to 2050

+

RE

35% of power generation mix by 2030, 50% by 2040, and more than 50% by 2050

+

EMERGING TECHNOLOGIES

50% EV penetration rate in road transport by 2040; Explore alternative technologies (e.g. nuclear, hydrogen, ammonia)

+

ICT

Adopt advanced and smart grid technologies

+

ENERGY RESILIENCY

Resilient and climate-proof energy infrastructure

PH Contribution to Global Energy Transition:

Offshore Wind Development | Rightskilling of Filipino Workforce & International Accreditation Initiative | Mining and Manufacturing of Green Materials

End of Presentation

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