SyCip Salazar Hernandez & Gatmaitan

Renewable Energy

Special Projects Bulletin

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Offshore Wind Renewable Energy: The Next Frontier for Philippine Energy?

Offshore wind (OSW) appears positioned to play a transformational role in the Philippines' energy landscape by hopefully delivering massive generation capacity aligned with national decarbonization targets. Data from the World Bank Group Report indicates that the Philippines has an estimated 178 GW of untapped technical potential, with substantial areas along the country's coastline offering viable, technically extractable wind resources.[1] The country has an opportunity to use this resource to generate over 20 percent of its electricity by 2050.

Executive Order (EO) No. 21, s. 2023, issued by President Ferdinand Marcos, Jr., seeks to prioritize and accelerate the establishment of an OSW industry in the country. EO No. 21 mandates the creation of a comprehensive policy and administrative framework for OSW development and designates the Department of Energy (DOE) as the lead agency responsible for driving this initiative.

Launch of GEA-5

A key development occurred in November 2025 with the DOE's launch of the Fifth Green Energy Auction (GEA-5). GEA-5 is the first auction round dedicated exclusively to fixed bottom offshore wind and offers an installation target of 3,300 megawatts (MW), with commercial operations expected to commence between 2028 and 2030.

GEA-5 is being implemented under the Green Energy Auction Program (GEAP) guidelines pursuant to DOE Department Circular No. DC2021-11-0036. It forms part of the DOE's broader policy framework to achieve the renewable energy targets set out in the Philippine Energy Plan 2025–2050 and the National Renewable Energy Program (NREP) 2020–2040. Under the NREP, the Philippines aims to increase the renewable energy share in the national power generation mix to at least 35% by 2030 and at least 50% by 2040.

Notably, the GEA-5 will exclusively cover fixed-bottom offshore wind only, a scope that appears to align with the Philippines' current grid capacity, port infrastructure. Based on the World Bank Group Report, around 90% of the OSW resource lies in waters deeper than 50 meters, which will necessitate the deployment of floating offshore wind technologies.[2] Against this backdrop, the DOE's decision to limit GEA-5 to fixed bottom projects may be a deliberate effort to match the auction with the existing regulatory framework and available infrastructure, and to facilitate initial market uptake given that fixed bottom foundations have been considered more mature, commercially proven, and cost competitive relative to floating systems.

[1] 2022 Offshore Wind Roadmap for the Philippines prepared by the World Bank Group (the file can be accessed through this link https://legacy.doe.gov.ph/sites/default/files/pdf/announcements/Philippine-Offshore-Wind-Roadmap.pdf)
[2] 2022 Offshore Wind Roadmap for the Philippines prepared by the World Bank Group (the file can be accessed through this link https://legacy.doe.gov.ph/sites/default/files/pdf/announcements/Philippine-Offshore-Wind-Roadmap.pdf)

TOR Salient Points

Other salient points in the Terms of Reference (TOR) for GEA-5 include:

(i) A 20-year Supply Delivery Period, with Green Energy Tariff (GET) payments commencing upon commissioning and registration with the Wholesale Electricity Spot Market (WESM).
(ii) A strengthened OSW infrastructure framework, addressing grid interconnection, port utilization, logistics requirements, and project development milestones.
(iii) An option for phased-in delivery, allowing developers with multi-phase OSW projects to submit registration requirements per phase, each having its own delivery commencement date (DCD), metering facility, and revenue meter.
(iv) A milestone-based approach, under which both winning bidders and relevant government agencies have defined obligations. Delays attributable to government agencies that prevent a compliant winning bidder from meeting its DCD will be treated as force majeure.
(v) Defined lender step-in rights, aimed at enhancing bankability and supporting project financing.

On 22 January 2026, the DOE issued Supplemental TOR to introduce procedural refinements to provide clarity in the implementation of GEA-5. Among the notable additions are:

(i) Priority access to PPA administered ports, which will be determined primarily based on bidders' committed DCDs, ranked from earliest to latest. Where DCDs overlap, the DOE will apply tie breaker rules.
(ii) Performance bond drawdown, where the DOE may call on the performance bond if the winning bidder fails to deliver milestone activities on the dates specified in the OSW infrastructure plan due to its own fault.

Offshore Wind Energy Guidebook

In 2025, the DOE, in partnership with the Southeast Asia Energy Transition Partnership, issued the Compendium: Guidebook to Permitting and Consenting for Offshore Wind Energy. The guidebook simplifies a highly complex system involving more than 80 permits and over 25 agencies, providing clear, unified processes from site assessment to decommissioning. This effort aligns with Executive Order No. 21 (2023), which mandates an integrated permitting system for offshore wind and incorporates these processes into the Energy Virtual One Stop Shop (EVOSS) platform.

Challenges and Barriers

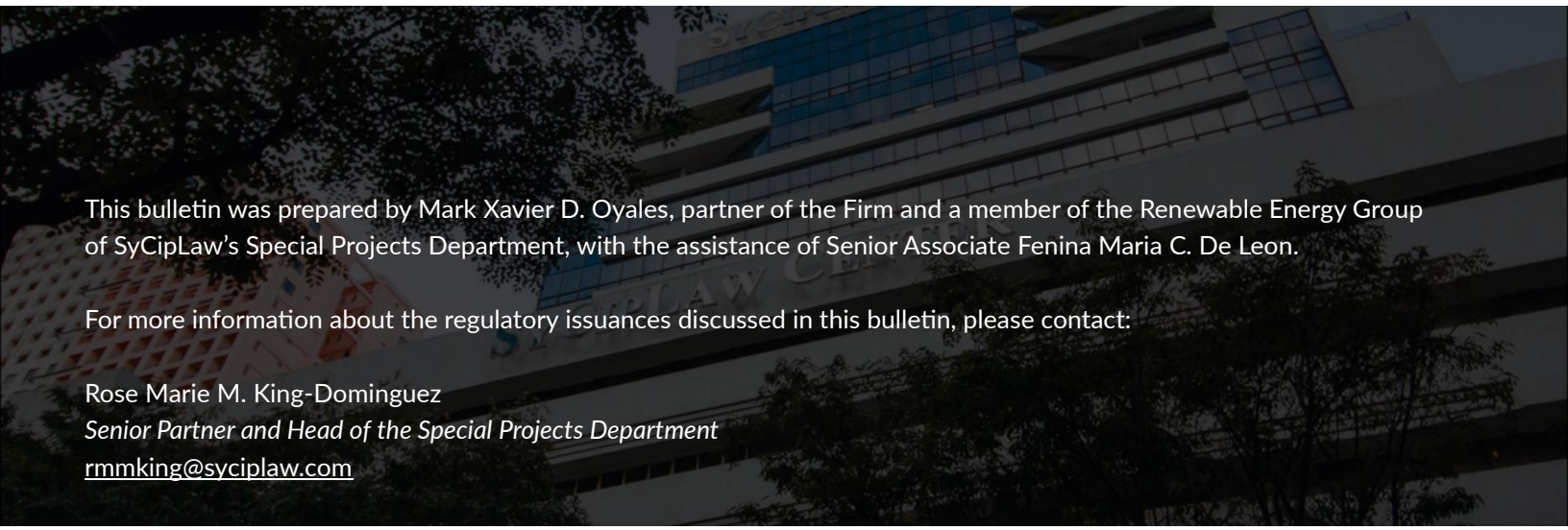
But whether onshore or offshore, likely challenges for energy project proponents appear to remain the same, with a twist or two. These include:

- Higher Tariff: On a pure cost-of-energy basis, OSW remains more expensive than other renewable energy technologies.[3] Based on an ADB study, the nominal fixed-bottom OSW tariffs with commissioning by 2030 are projected between 10.26-13.83 PhP/kWh.
- Infrastructure Readiness: Port readiness remains the critical bottleneck for Philippine offshore wind. Specialized port facilities are necessary for transporting, assembling, and staging large offshore wind components, an area where the Philippines is still in a transitional phase in the development.
  The DOE has confirmed though that the PPA fast-tracked the redevelopment of priority sites like Batangas (Sta. Clara) and Camarines Norte (Pambujan) to meet the logistical demands of the upcoming commissioning targets.[4]
- Bankability: While the Philippines has experience in attracting large-scale, local and international financing for infrastructure projects and other renewable energy developments, the unique and high risks associated with offshore wind will require careful risk management and mitigation measures to ensure bankability and minimize the cost of capital.

[3] 2022 Offshore Wind Roadmap for the Philippines prepared by the World Bank Group (the file can be accessed through this link https://legacy.doe.gov.ph/sites/default/files/pdf/announcements/Philippine-Offshore-Wind-Roadmap.pdf)
[4] https://businessmirror.com.ph/2025/12/09/more-ports-ready-to-handle-offshore-wind-farms-doe/

- Permitting Process: Developers face a permitting landscape that spans numerous national agencies and multiple local government units. Despite the institutionalization of the EVOSS and the Ease of Doing Business Act (RA 11032), offshore wind developers face a fragmented regulatory landscape. The primary challenge lies in the "last mile" of permitting, coordinating with multiple Local Government Units along the coastline. These units often possess varying levels of technical capacity and administrative readiness.
- Climate and Natural Hazard Risks: The Philippines is highly vulnerable to extreme weather events, including typhoons, as well as seismic activity. These hazards pose significant operational and structural risks to offshore wind infrastructure and must be factored into design, engineering, and insurance considerations.

Ultimately, the Philippines' offshore wind potential is vast, its realization depends on transforming these challenges into a streamlined, bankable, and 'wind-ready' industrial roadmap. However, the recent policy movements like EVOSS, GEA-5, and targeted infrastructure investments signals that the Philippines is taking active steps to actively building the appropriate project ecosystem. ■



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