

Philippine's Offshore Wind – A Vision for Industry Development

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Introduction: Global Wind Energy Council (GWEC)

GWEC is a non-profit trade association that acts as **the authoritative voice for the global wind energy industry**. Our members represent more than 1,500 companies, organisations and institutions in over 80 countries, including manufacturers, developers, component suppliers, research institutes, national wind and renewables associations, electricity providers, finance and insurance companies. GWEC's Task Forces and activities are listed below:



Intelligence

Market intelligence, policy analysis, technical expertise



Summits & Conferences

Creating business environments to discuss challenges, find solutions and network



Advocacy & Policy

Communicating the benefits of wind power and working on regulatory frameworks



Business Matching

Connecting members to the right people to grow your business



Collaboration

Sharing best practices and connecting stakeholders



Capacity-Building

Establishing strong wind energy associations in emerging wind markets, transferring knowledge to stakeholders



GWEC TASK FORCES | SOUTH EAST ASIA

CHAIR



Mark Hutchinson
Chair, South East
Asia Task Force,
GWEC

MEMBERS*

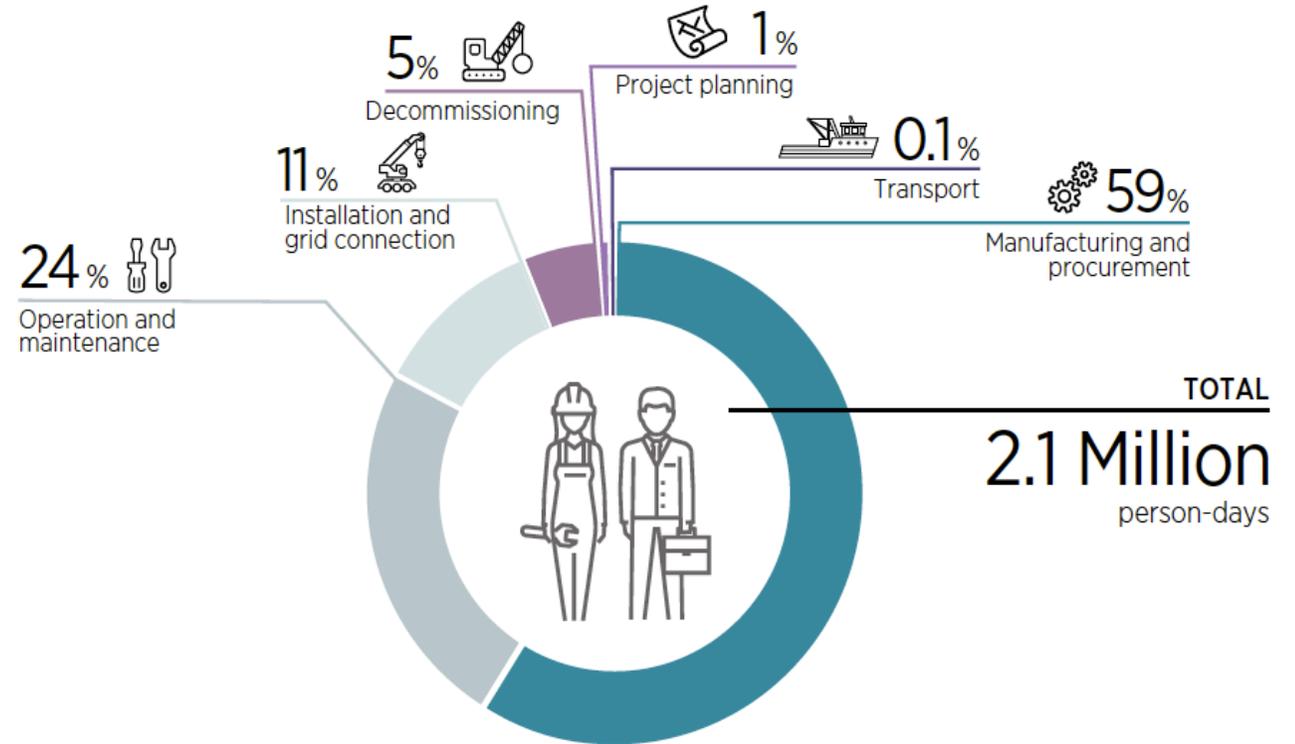


*Not exhaustive list of Task Force members

Benefits of Offshore Wind in the Philippines

- 5 GW of offshore wind by 2030 is achievable
- This will bring **investments of more than \$15 billion dollars**, port infrastructure upgrades, supply chain investments and significant industrial development
- **Tens of thousands of jobs will be created** by offshore wind in the country
- Wind is a domestic resource, **improves energy security** and is not subject to the volatility seen in gas & coal markets
- 5 GW of wind will **avoid \$1.5 billion/year of coal and gas imports**
- Avoiding the export of \$1.5 billion/year will **create 10s of thousands more jobs domestically**

Jobs Created for a 500 MW Offshore Wind Project



Source: IRENA

Offshore Wind in the Philippines

- GWEC believes that offshore wind (OFW) will be a key enabler that allows the country to meet its RE targets and to improve energy security, all while bringing tens of thousands of jobs and industrial development
- Onshore wind and solar will contribute, but given land constraints and population density, these will be constrained in the medium- to long-term
- The main remaining option is OFW – and the country has significant resources (178 GW)
- **So what is needed to allow the Philippines to fully take advantage of the country's significant offshore wind resources?**

The Philippine Energy Plan, last revised in 2021, targets a 35% renewable share of the power mix by 2030, rising to 50% by 2040.

How to Build an OFW Market that Gives Investors Confidence

Item	Comment
Investors need clear targets.	Given its complexity, OFW typically needs significantly more time to develop (5-8 years) than onshore wind. If investors see clear targets for 2030, 2040 and 2050, they are much more likely to make the investments in port infrastructure, human capital development, the domestic supply chain, etc.
Start the market with an FiT.	Auctions are the appropriate option in the medium- to long-term, but most markets start out with an FiT. This allows the supply chain to develop, costs to be understood, etc. and developers are then more confident and aggressive in their bidding strategies when auctions do take place. None of the European OFW markets with successful deployment started with an auction – the same is true for the leading Asian OFW markets.
Engage with industry.	As in any emerging offshore wind market, engagement with the industry is critical. GWEC and its member companies are pleased to work with the government and other stakeholders to share experience from other countries, case studies, challenges and learnings, etc.
Don't set a price cap that is too low.	This applies to both FiT and auctions. Low price caps reduce the incentive to bid and increase the possibility of a failed market. GWEC would be pleased to engage and share specific information from our members on their expected costs in the Philippines (anonymized data), as well as best practices in auction design. Also note that we are in a commodity super-cycle now and prices should be re-assessed as the FiT/auction dates approach.
OFW needs a clear “route-to-market” (RTM).	In addition to clear targets, an RTM provides investors and developers with clear guidance on, among other things, exclusivity in seabed rights, RPS requirements, timing of the FiT, allocations for OFW in future auctions, timing of onshore transmission upgrades that support OFW, marine spatial planning (how to co-exist with fisheries, tourism, other uses of the sea), etc.

Summary

- OFW can help power the Philippine's RE future, increase energy security and create tens of thousands of jobs domestically;
- Targets in the short-, medium- and long-term and a clear Route-to-Market will provide confidence to investors – and the investments will flow
- GWEC and its member companies are always willing to engage with government and other stakeholders to help build the foundations for success in the Philippines OFW market

Thank you!

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