



WHY HAVE WE NOT GONE OFFSHORE YET?

Tracking the Offshore Wind Subsector Situation in the Philippines

AUGUST 2026 UPDATE

A Strategic Assessment of the Philippine Offshore Wind Industry
Potential. Policy. Progress. Remaining Barriers.

By

Rodolfo T. Azanza, Jr.

President and Chairman of the Board
Norconsult Management Services (Philippines), Inc.



Positioning the Philippines for
**Energy Security, Competitiveness,
and Offshore Wind Leadership.**

WWW.NMSPPH.COM

Norconsult Management Services (Philippines), Inc.

Manila, Philippines

2026

EXECUTIVE SUMMARY:

WHY HAVE WE NOT GONE OFFSHORE YET?

Tracking the Offshore Wind Subsector in the Philippines (August 2026)

The Philippines stands at the threshold of launching a transformative offshore wind (OSW) industry. With an estimated offshore wind potential exceeding 72 GW, a growing electricity demand, strong renewable energy (RE) targets, and increasing global investor interest, the country possesses many of the ingredients necessary to become a major offshore wind market in Asia-Pacific. However, despite significant progress in policy reform, permitting, and market preparation, no offshore wind project has yet reached construction.

The Department of Energy (DOE) has positioned offshore wind as a cornerstone of the country's energy transition strategy, aimed at achieving 35% renewable energy in the power generation mix by 2030 and 50% by 2040-2050. Offshore wind is expected to provide a substantial portion of the targeted 16.6 GW of wind capacity within the broader goal of adding 52.8 GW of renewable energy capacity by 2040. Beyond climate objectives, OSW is increasingly viewed as a strategic response to the Philippines' dependence on imported energy, which currently accounts for over half of primary energy supply.

Considerable groundwork has already been laid. Executive Order No. 21 established a whole-of-government framework for OSW development. The DOE has streamlined permitting through the Energy Virtual One-Stop Shop (EVOSS), issued a comprehensive Offshore Wind Permitting Guidebook, facilitated foreign investment participation, and advanced preparations for the country's first offshore wind auction under the Green Energy Auction Program 5 (GEAP-5). As of 2026, nine companies have moved forward in the initial evaluation process for the auction, which seeks to allocate up to 3.3 GW of offshore wind capacity.

Despite these advances, several critical barriers continue to delay actual deployment:

- **Port Infrastructure Deficiency:** No Philippine port is currently fully equipped to support offshore wind construction, assembly, and operations. Priority upgrades are underway in Batangas and Camarines Norte, but substantial investment remains necessary.
- **Grid Readiness and Integration Challenges:** Existing transmission infrastructure was not designed to accommodate large-scale offshore wind generation, requiring major expansion, new substations, enhanced system stability measures, and stronger integration into long-term grid planning.
- **Global Supply Chain Constraints:** Competition for specialized vessels, foundations, export cables, and turbine components remains intense, particularly as mature markets continue to dominate available resources.
- **Financing and Commercial Viability:** Offshore wind remains capital intensive. Investors seek greater revenue certainty through mechanisms such as Contracts for Difference (CfD),

while local financial institutions have yet to fully engage in large-scale renewable energy financing.

- **Institutional and Regulatory Complexity:** Although permitting has improved significantly, developers must still navigate multiple agencies, local governments, environmental requirements, and marine-use considerations.

The encouraging reality is that these obstacles are no longer fundamental policy barriers. Instead, they represent implementation challenges that can be addressed through focused investments, stronger public-private collaboration, accelerated infrastructure development, and continued regulatory certainty.

The Philippines is now widely recognized by global industry stakeholders, including the Global Wind Energy Council (GWEC), as one of the most promising emerging offshore wind markets in Asia-Pacific. The immediate priority is to translate policy ambition into construction activities by accelerating port readiness, expanding grid infrastructure, improving financing mechanisms, developing local supply chains, and maintaining a stable, investor-friendly regulatory environment.

In summary, the Philippines has already moved beyond asking whether offshore wind is possible. The more relevant question today is how quickly the country can overcome the remaining execution barriers and capitalize on a once-in-a-generation opportunity to strengthen energy security, attract investment, create jobs, and establish itself as a regional offshore wind leader. The nation has not yet gone offshore, but all indications suggest that it is now closer than ever to doing so.

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By Rodolfo T. Azanza, Jr.[www.nmsph.com] ^{1/}

This is another update to the paper written in September 2023 and updated in July 2024 and December 2025, as a commentary and an avenue to give insights into the development of the offshore wind (OSW) subsector of the Renewable Energy (RE) sector of the Philippines. The recent updates are mainly as gathered from the GWEC, DOE and ADB 2026 events/fora, wherein the Department of Energy (DOE) of the Philippines provided some fresh information.

In the global context, the GWEC 2026 Report confirms that 165 GW of new wind capacity was installed worldwide in 2025, pushing cumulative global wind capacity past 1,299 GW. At this point in time, offshore wind (OSW) is no longer experimental — floating offshore wind is industrializing and becoming a core pillar of future power systems. Asia-Pacific (excluding China) is projected to become the third-largest offshore wind growth market globally through 2030, with the Philippines highlighted as a “market to watch” due to decisive regulatory reforms. It is now recognized internationally as an emerging OSW market, alongside South Korea and Vietnam, where policy clarity and regulatory reforms are rapidly creating investible pipelines. This global recognition adds credibility to DOE’s roadmap and auction programs, reinforcing investor confidence.

The DOE views that OSW will deliver strategic autonomy by reducing reliance on imported fossil fuels. This is key to a massive development potential in a country where 53.7% of primary energy supply is imported. The latest targets of DOE are: 5% energy savings from oil products and electricity by 2040, 10% electric vehicle penetration by 2040. Adapting advance and interoperable ICT for energy, resilient and climate proof energy infrastructure, and most importantly 35% RE in the Generation mix by 2030, increasing to 50% RE by 2040-2050. Based on the current demand, DOE is targeting a total of 52.8 GW of RE, broken down as follows: Solar - 27 GW; **Wind - 16.6 GW**; Hydro – 6 GW; Geothermal - 2.5 GW; and Biomass - 360 MW. With these targets, it is clear that OSW development is not just about climate goals — it is now framed as a national security and competitiveness imperative.

In the current Philippine Energy Plan, there are 4 energy transition strategies being pursued:

1. Accelerating renewable investments primarily through the incentives in the RE Law.
2. Transmission - with aspirations to build what is called smart and green grid, which will basically double the amount of transmission infrastructure in the country today.
3. OSW - DOE is targeting offshore wind as the largest RE source in the country and with that end, the need to develop offshore wind ports.
4. Voluntary early retirement of coal power plants - the portfolio is 58 coal power plants, about 3.8 GW of which are more than 20 years old.

1/The author is the President and Managing Director of NMSPH, Inc. (former subsidiary of Norconsult AS of Norway). He was formerly with NEDA (now DepDev), the central planning agency of the Philippines, and also worked as Director for Projects at the Office of the President of the Philippines and Director for Transport Projects at the BOT Center (now the PPP Center). He also worked at the Royal Norwegian Embassy in Manila as Markedsrådgiver and later as Country Representative, CSR and CDM Manager (Philippines) and as Regional Business Dev’t Manager (Southeast Asia) for Statkraft Norfund Power Invest AS.

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For RE, DOE is looking at a total investment of 20-30 trillion Pesos. A total of 1,300 RE service contracts have been awarded, for a prospective 135 GW of RE by 2040. However, many of these developers are able to do only up to pre-development stage and not able to continue with the development, due to lack of access to financing, among others.

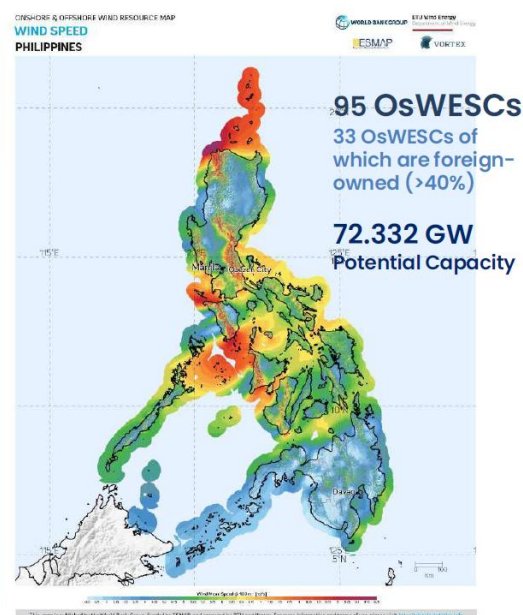
Last December 24, 2025, DOE cancelled some 84 RE contracts for lack of activity. The local banking sector needs more encouragement to engage in RE investments. DOE cited that a study funded by Rockefeller Foundation that shows that the local banks are very liquid enough to actually finance 2/3 of the RE transition requirements but they need an industry leader who will help them understand the risks and rewards of investing in RE.

OSW DEVELOPMENT POTENTIAL

The DOE estimates that OSW potential in the Philippines is north of 72 gigawatts (GW), more than double of the country's overall current generation capacity of about 27 GW. The 2024 generation mix (DOE Report) is comprised mostly of fossil fuels (coal + oil) with coal dominating the country's supply of energy at about 34.6% (from 42% in 2022), while RE sources merely consist of about 35.3% (30% in 2022) with wind and solar as the smallest at only 1.3%.

Offshore Wind (OSW) Potential

OSW Development Zones	Contract Area (Has)	Potential Capacity (MW)	No. of Projects
Guimaras Strait	159,732	6,824	9
Manila	120,771	6,702	9
Negros/Panay West	249,445	8,784	12
Northern Mindoro	177,419	8,308	7
Northwest Luzon	155,469	6,860	9
Southern Mindoro	489,525	9,937	12
Others	649,688	24,917	37
Grand Total	2,002,049	72,332	95



Source: DOE Presentation at ADB ACEF June 2026

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ONGOING COLLABORATION AND COLLECTIVE EFFORT

To step up on the OSW efforts, the Department of Energy (DOE) held a series of stakeholders' engagements from government and the private sector in 2023-2025 to come up with a list of necessary permits, licenses, and registration requirements, among others. It has also been active in participating in various fora to continually apprise the investor community and the general public of the most recent OSW-related developments.

The DOE enjoys the support and collaboration of an umbrella organization composed of RE associations in the Philippines called the Developers of Renewable Energy for Advancement, Inc. (DREAM), which unifies all RE industry associations, and provides them with a broader platform to advance the cause of RE mainly through policy advocacy and knowledge sharing.

The DOE already upgraded its one-stop shop system for applying licenses for all energy projects called the EVOSS or the Energy Virtual One Stop Shop. The EVOSS is an online platform that provides a single decision-making portal for applications of permits necessary for, or related to, power generation, transmission, and distribution projects.

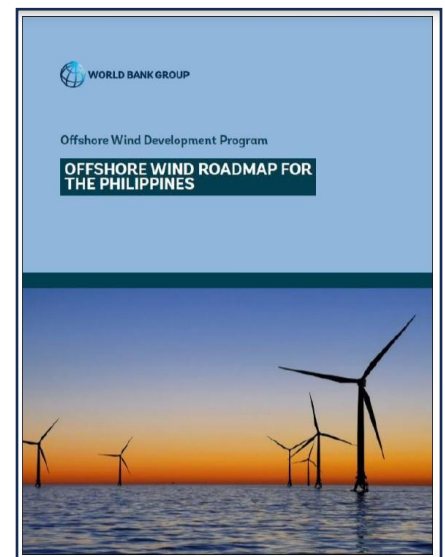
In 2025, the DOE launched the Compendium Guidebook to Permitting and Consenting for Offshore Wind Energy in the Philippines. The guidebook consolidates approximately 80 permitting requirements across agencies and provides process flow maps intended to improve transparency and reduce development risks for investors. The guidebook operationalizes the whole-of-government approach envisioned under EO No. 21 and further strengthens EVOSS integration.

THE ROADMAP

The DOE, in collaboration with the World Bank Group (WBG), has prepared a "Roadmap" for OSW development. The WBG commissioned a UK firm, BVGAssociates, to conduct the road map study, which was completed in April 2022, and identified suitable sites for OSW, developed strategies to integrate OSW power into the RE portfolio of the country, and propose policy measures to make it attractive to investors.

The roadmap identified the coasts of Ilocos Norte and Cagayan provinces, northern and southern coast of Mindoro Island and Metro Manila area (all in Luzon Island) as suitable for floating wind turbines, although we may take note that the Manila Bay and other areas in its vicinity may be viable for fixed-bottom configurations. The shallower coasts of Guimaras Strait in the Visayas Region are also suited for fixed-bottom OSW turbines.

Additionally, University of the Philippines (UP) – Marine Science and Engineering students looked into the potential of OSW and came up with an exclusion criteria in order to give direction to the effort to pinpoint the best potential areas for OSW. The exclusion criteria are:



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- a. active submerged cable paths
- b. local ferry routes
- c. marine conservation areas
- d. coral reefs
- e. oil and gas extraction areas
- f. bathymetry/depth (which could be hurdled by further development in technology)
- g. distance from grid (which could change as the grid further develops)
- h. typhoon paths, and
- i. fault lines/earthquake prone areas

Based on the foregoing criteria, the UP students identified north of Cagayan (Luzon), west of Rizal (Luzon), north of Camarines Sur (Luzon), north of Samar (Visayas), southwest of Masbate (Luzon), Dinagat Island (Mindanao), Guimaras (Visayas), and northeast of Palawan (Luzon) as the viable sites for OSW.

Additional considerations may also be added to the criteria, such as other domestic cargo shipping routes beyond the passenger ferries, and geopolitically sensitive areas where an OSW development might trigger a cultural concern, a political boundary dispute, and so on.

THE GREEN ENERGY AUCTION PROGRAMME 5

Throughout 2025, the Philippines has been preparing to launch its first offshore wind auction in Q4 2025, a pivotal step forward to bring the OSW aspirations into fruition. The auction will be part of the Green Energy Auction Programme 5 (GEAP 5) and aimed at fixed-bottom offshore wind (as opposed to floating installations) and aims to allocate up to 3.3 GW of capacity, with project commissioning expected between 2028 and 2030.

This OSW auction is a price-based sale, with bids stacked up from lowest to highest price until cut off at the 3.3 GW cap, and all bids are required to be below the Reserve Price. The current Price Gear, as per DOE, is Php11/KWH.

The OSW auction has “interesting” requirements. Successful bidders must submit within 30 calendar days of award some post-bidding documentation, including: (1) a System Impact Study (SIS) from the National Grid Corporation of the Phils. (NGCP), (2) Wind Resource Assessment with a minimum of 12 months of data, and (3) Port Infrastructure Plan detailing the use and development of local port facilities, including potential partnerships.

The reasons why these requirements are “interesting” are as follows:

1. A grid-impact study from the NGCP could actually mean that winning bidders will have to find a third-party consultant (typically former NGCP employees) to do this, which will perform the SIS independently and later will just be subjected to NGCP review and concurrence. At this stage it is not very clear if NGCP is in fact obligated to do the SIS as their deliverable. Nevertheless, the government has a Transmission Development Plan (TDP) 2024–2050, which outlines the upcoming transmission projects, and should helping developers check how their OSW projects will fit into the TDP.

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2. The Wind Resource Assessment will likely have already been undertaken, for a bidder to submit a credible bid under the auction.
3. The Port Infrastructure Plan throws the onus of port development to the private investors, rather than government investing in ports development to make our ports capable of handling OSW requirements. The DOE together with the Philippine Ports Authority (PPA) have identified at least ten ports for potential redevelopment to support OSW projects. Financing these upgrades appears to be an uphill budget battle for PPA, and so they might have to look into PPP options.

Nevertheless, earlier in 2025, the DOE has invited stakeholders feedback on the GEAP 5 Terms of Reference, in order to receive inputs from prospective participants and thus improve the auction framework and process. As a result, in June 2026, nine (9) companies advanced into the initial round of offshore wind evaluation for GEAP 5. Today, the status/timeline of DOE OSW Contracts can be summarized as follow (source: PROD-CMS of DOE):

- Auction Timeline (GEA-5, covering OSW projects):
- Pre-bid conferences & evaluations: June–July 2026
- Auction proper: July 28 – August 10, 2026
- Validation of bids: September 1–9, 2026
- Issuance of Notice of Award (NOA): September 17–23, 2026
- Certificates of Award for compliant bidders: February 3–23, 2027

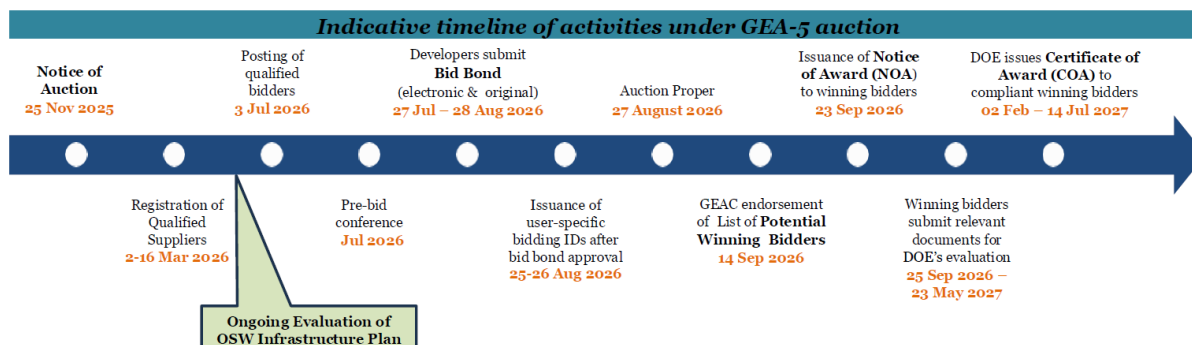
As of now DOE has completed bid bond evaluations (August 11–13), and the next step is rectification and validation of bids later in August and early September.

GEA-5 Timeline



The Philippines has officially launched the process of its GEA-5, focusing specifically on fixed-bottom offshore wind.

GEA-5 is different from previous GEA rounds as it will be the first time that a milestone-based approach will be implemented to synchronise the infrastructure development required for offshore wind – particularly upgrades on the grid and ports.



Source: DOE Presentation at ADB ACEF June 2026

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THERE IS AN INCENTIVE SYSTEM

OSW projects in the future will also enjoy the same incentives intended for RE projects. Under the Renewable Energy Act of 2008 (Republic Act 9513), corporations engaged in RE development are entitled to various fiscal and non-fiscal incentives, which we will no longer elaborate too much here as this has been already tackled in Norconsult's previous Energy Sector documents prepared for and in behalf of the Norwegian Embassy in Manila from 2016-2020.

Now, if there is potential, there is demand, there is collective effort, there is a roadmap, and there is an incentive system, the question is:

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The answer is manifold. And most of them were first articulated in an event held jointly by the British Embassy Manila & Royal Norwegian Embassy Manila in collaboration with Singapore-based Global Wind Energy Council (GWEC). Dubbed as the "Joint Offshore Wind Workshop" it was held in September 2023 in Ortigas Centre in Metro Manila. These points were tackled in various DOE-participated for a, the latest of which is the ADB Asia Clean Energy Forum (ACEF) in June 2026.

According to DOE, the National RE Program 2020-2050 sets a target of at least 35% RE Share in the power generation mix by 2030 and aspires to increase the RE Share to 50% by 2040-2050.

The OSW sub-sector is being looked at as a major contributor to the achievement of these aspirations. Just to be clear about what kind of capex are we looking at in order to transition into a full RE regime, according to Reactive Technologies, Inc., New Zealand had to put up US\$1.2B to go from 82% to 100%, Queensland, Australia needs US\$12.2B over 4-years to reach its 2030 target, and Malaysia is looking at a capex of US\$375B to reach its 2050 target.

To reach our own Philippine RE target, a total of 52,826 MW additional RE capacity is needed by 2040, which is more than six times the current level of 8,255 MW. In 2022, there were 77 OSW service contracts issued by DOE with a potential aggregate installed capacity of 60.6 GW. In October 2024, DOE indicated a new figure of 92 OSW service contracts accounting for a potential aggregate installed capacity of 68 GW.

On 15 November 2022, the DOE issued DC No. DC2022-11-0034, Prescribing Amendments to Section 19 of DC No. 2009-05-0008 titled, Rules and Regulations Implementing RA No. 9513 in order to ease up foreign ownership limitations for RE projects. This is DOE leading the charge despite possible ramifications in the future surrounding the legal question of whether a Department of Justice (DOJ) Opinion is sufficient to be fully effective in amending the prevailing law on foreign ownership restrictions, which is the antiquated Public Services Act. Nevertheless, DOE has walked the talk by awarding three OSW contracts to 100% foreign developers as of July 2024. The first 100% foreign-owned company (Copenhagen Infrastructure Partners or CIP) is investing 5 billion US dollars in these three (3) offshore wind projects; and there have been other foreign companies that have taken interest to follow CIP's lead. So, it is good for the Philippines, because we are getting these new investments in RE, from countries where the offshore wind has been implemented successfully; these investors have the right track record and experience.

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All these, and yet OSW has not left the coast. Why?

On April 19, 2023, President Ferdinand Marcos Jr. issued Executive Order No. 21 “Directing the Establishment of the Policy and Administrative Framework for Offshore Wind Development”. This is a major step in the OSW policy regime. The objectives, which were rather a clear conveyance of urgency, are as follows:

1. Issuance of Implementing Guidelines on or before 19 May 2023
2. Issuance of a Policy and Administrative Framework for the efficient and optimal development of OSW resources on or before 18 June 2023
3. Submission of Permitting Agencies to DOE of the complete list of appropriate permits, requirements, procedures and corresponding fees on or before 18 June 2023
4. Rationalize and integrate the processes and requirements of all appropriate permits to the EVOSS System
5. Timely development of the needed grid interconnection facilities

The Implementing Guidelines was issued by DOE right on target, which provided specific guidelines for “OSW Development Activities and other Infrastructure Requirements, Policy and Administrative Framework, Permits for OSW Development Activities, Rationalization of Fees, and Whole-of-Government Approach.” The “Policy and Administrative Framework for Offshore Wind Development in the Country” or the “OPAF” was also issued by 16 June 2023. The integration of all permits and requirements into the EVOSS has also been actively pursued by the DOE in collaboration with the other government agencies. The permitting agencies have been enjoined to streamline permits, processes, requirements, and fees to expedite the procedures for the development of offshore wind projects. These agencies were also directed to remove duplications and overlapping permits, to simplify the forms, to reduce signatories and documentary requirements, and to rationalize/reduce fees and charges.

But there is still a good list of hurdles that need to be addressed, as follows:

Global Supply Chain to Support OSW Developers - While OSW developers seem to be quite avid as to how the Philippines will get into the groove, the ability of service providers to supply the necessary services to these developers seems to be globally meager. Survey vessels for one are scarce. Installation tonnage is also in short supply. Locally, the suppliers are also still not very adept as to what supplies and services will OSW project need. The learning curve for the local supply chain is still steep. So, yes, we can still say at this point that there is currently a significant shortfall in the global supply chain to support Offshore Wind (OSW) developers in the Philippines. Critical bottlenecks exist in foundations, export cables, and Tier-1 turbine components, compounded by limited port infrastructure and competition with mature markets. This makes it harder for Philippine projects to secure equipment, expertise, and financing at scale.

Ports Infrastructure – Another major hurdle for OSW development in the Philippines is the availability of proper ports that can handle fabrication and assembly of OSW turbines. While ports managed by the Philippine Ports Authority (PPA), are far and wide all over the archipelago, none is currently equipped to be a proper jump-off for OSW projects. In the last ADB’s Asia Clean Energy Forum (ACEF) in June 2026,

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DOE and PPA manifested that the Philippine government is aware that the ports in the Philippines are not offshore wind-ready and investments will have to be done if we are to move the OSW subsector forward.

In 2022 during the WB road-mapping exercise, it was identified that some seven (7) ports (6 in Luzon and 1 in Visayas) can be marshaling ports for OSW projects, which today has increased to 10 identified ports and are mostly under leased and operations contract. The port facility for an Offshore Wind (OSW) needs to be designed to certain parameters to accommodate the loading/unloading of immense structures or equipment which translates to significant investment cost. PPA estimates that on average, the investment need will be in the vicinity of Php 4.8 billion (~USD 81 M) per port.

In the ACEF in June 2026, PPA reported [yet again] that they are now focused on the upgrading of 3 major ports, namely: Sta. Clara port in Batangas (as PPP, with design done in-house), Mercedes port in Camarines Norte (to be funded in full by PPA, and envisioned to be finished by end of 2026), and Currimao in Ilocos Norte, as priority in terms of upgrading. These ports were chosen to align with the DOE service contract areas that are most interesting to OSW developers. The World Bank is involved in funding the feasibility study of the Sta. Clara port.

PortCalls Asia recently reported that The Philippine Ports Authority (PPA) is now actively upgrading Mercedes port, while the Currimao (Ilocos Norte) project has been deferred due to high costs. The Mercedes port has its ₱2.27-billion contract already awarded, while Sta. Clara is still being structured as a PPP. Currimao's ₱12–26 billion requirement has placed it on the backburner. Below is a summary:

Mercedes Port (Camarines Norte)

- First OSW port contract awarded (Feb 2026) to Khan Kon Chi Construction & SB Construction
- Phase 1 redevelopment cost: ₱2.27 billion
- Phase 2 bidding: Scheduled for mid-2026
- Funding: Fully financed by PPA
- Role: Will replace Jose Panganiban port due to unsuitable soil conditions
- Timeline: Expected completion within 18 months once site documentation is finalized

Sta. Clara Port (Batangas)

- Planned as a PPP project under the Port Terminal Management Framework
- Estimated cost: ₱3.1–3.6 billion
- Feasibility study ongoing with technical support
- Function: Designed as a marshaling port with potential for future manufacturing
- Status: Bidding framework expected to be crafted in 2026, with faster progress anticipated since less structural work is required

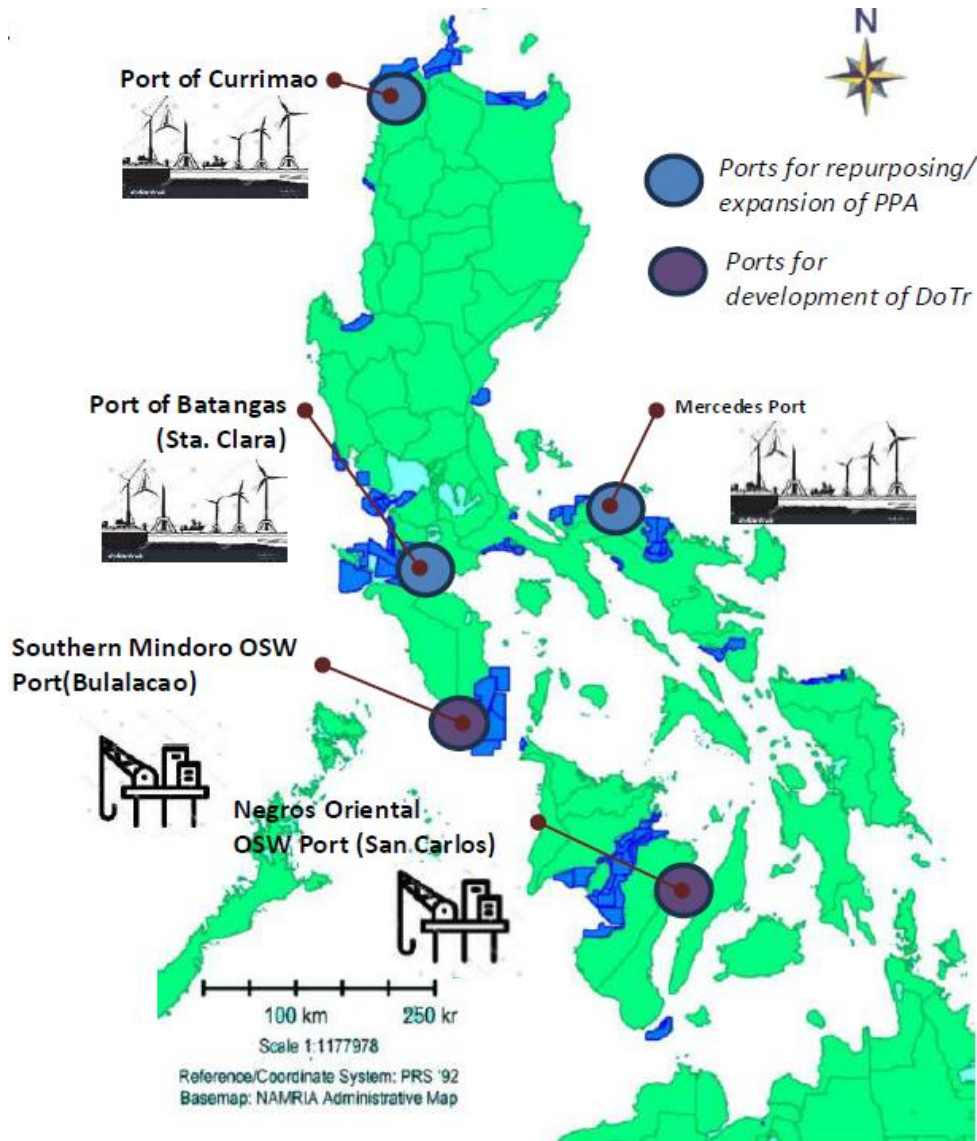
Currimao Port (Ilocos Norte)

- Originally identified as a priority OSW port due to proximity to high-potential wind zones
- Estimated cost: ₱12–26 billion, requiring ~25 hectares and floating turbine technology
- Status: Deferred/backburner due to massive capital and infrastructure requirements
- Challenge: Floating turbine tech is newer and more complex compared to fixed-bottom systems

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Source: DOE Presentation at ADB ACEF June 2026

It is hoped (by me, among others) that as Taiwan and Vietnam did, government should not ask OSW developers to deal with the port issue in the GEAP 5 auction. The national government should contemplate the port upgrades as necessary and fund them posthaste as ODA-financed undertakings. I am more inclined to believe that a “Field of Dreams” type of approach will be more applicable. As the character played by Kevin Costner said, “If we build it, they will come.” So, we have to build the ports first. It would not be a surprise to see the conditional bids for GEAP 5 stipulating that government should be the one responsible for port readiness, and not the bidders.

I am personally a bit skeptical about a BOT or PPP approach, for lack of clarity on the revenue inflows that a BOT/PPP investor could consider. Direct collaboration with private OSW developers might also make sense, by dangling some good old-fashioned carrots.

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Marine Traffic Management - In this area, capacity-building is needed by the Philippine Coast Guard (PCG), MARINA, PPA and the local government units. Apparently, there are systems in place today, but are limited in terms of enforcement. The PCG should tap the capacity of its auxiliary entity, the PCGA to augment its manpower resources for marine traffic management, public awareness campaigns, and even enforcement, in support of OSW development in the country.

Grid Connection - Another major challenge is the grid. It is an ever-looming question if the grid will be able to absorb the potential generating capacities of OSWs. Grid development will have to be forward-looking and should imbibe the current locations of the best potential OSW areas and the potential installed capacities in its long-term development plan. New substations might also have to be established to ensure that power brought from OSWs will have proper connection points when they hit land.

The National Grid Corporation of the Philippines (NGCP) has embarked on a grid planning exercise to look into how the grid can be expanded or enhanced by considering the coming online of new projects under what is called the competitive renewable energy zones or CREZ. But OSW is not yet part of the CREZ. So, the grid planning exercise needs to be revisited, and fast. Nonetheless we can surmise that NGCP is now exploring new substations in Batangas, Camarines Norte, and northern Luzon to support the OSW clustering in these areas in the future.

During the ACEF event in 2025, DOE presented that the current grid system is able to support about 28 GW of generation but in order to move the targeted 52.8 GW of renewable energy by 2040, the country has to almost double its transmission system. The investment required will almost be equivalent to the cost of the current transmission system today and to that end, DOE and NGCP are encountering problems, such as permitting issues, ECC requirements for environment and many other things on the government side. DOE gave a strong indication on how serious government is in hurdling these issues, with all four (4) DOE Undersecretaries dealing with figuring out how to help NGCP get the ROW and get all transmission projects on track.

In 2024, three (3) major projects have been accomplished by NGCP: the Mindanao-Visayas Interconnection Project (MVIP), the Cebu-Negros-Panay Project and the Hermosa-San Jose Project. All of which will help the country's renewable energy systems. More to come, from NGCP!

Impact of OSW on Network Stability - inertia and systems strength (and therefore network stability) decreases with increased renewables penetration in the grid. So, there will a plethora of new costs and concerns (voltage, frequency stability, loss of fault current, etc.) that the grid has to deal with in order to stabilize it anew, such as synchronous condensers, batteries, generation standby and in some cases, curtailment. To a layman like me, this means that dumping a large amount of OSW generated electricity would weaken the stability. While Battery Energy Storage Systems (BESS) are now proliferating to help stabilize the grid, adding OSW to the energy mix can mean that this strategy needs to be reconsidered or re-scaled. Thus, technologies that would allow for better capturing of grid data for analytics of grid stability will also become very important.

As a consequence, for the system operator (SO), my own thoughts would be that the following would have to be prepared for:

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1. Increased flexibility in day-ahead market
2. Increased volume of reserves
3. Solutions to maintain system stability
4. IT-development to automate manual processes

Issue	OSW Requirement	Current Readiness	Risk Level
Day-Ahead Market Flexibility	Advanced forecasting & scheduling	Limited, reserve costs spiking	High
Reserve Volume	Larger ancillary service pool	Thin margins, frequent alerts	High
System Stability	Synthetic inertia, redundancy	Grid collapses show weakness	Critical
IT Automation	Real-time digital dispatch	Manual, delayed reporting	High

EIS for OSW

The Department of Environment and Natural Resources (DENR) has revised their Procedural Manual for DENR Administrative Order No.30 Series of 2003 which provides for the Implementing Rules and Regulations of Presidential Decree No. 1586, the law that established the Philippine Environmental Impact Statement System. This was pursued with the support of ADB to address environmental regulations and related changes required for OSW and was focused on performing a gap analysis and learning from examples of good international industry practices.

The good news is: DENR issued Administrative Order No. 2024-02 establishing interim ECC guidelines specifically for offshore wind projects, recognizing both fixed-bottom and floating technologies and incorporating marine ecosystem, fisheries, navigation, biodiversity, and climate-risk considerations.

In 2026, DENR further strengthened the framework through DAO 2026-09, providing enhanced ECC procedures, compliance monitoring requirements, stakeholder engagement provisions, and environmental safeguards specific to offshore wind development. The issuance also reflects continuing implementation of the DENR-DOE cooperation framework for offshore wind development.

Skills Development

The question of need and ability of the Filipino technical workforce to retool themselves in order that their technical skills and experience in other RE subsectors may be applied laterally to OSW, is a point of consideration. It appears that there may be a bit of work and investments that need to be done, especially by using innovative technologies such as simulators, AI, etc., but this is not a big hurdle, and the learning curve is not deemed steep. There are bigger challenges to bring the OSW subsector to investment readiness, and skills development is not a dealbreaker. Besides there are active private entities in the Philippines that are equipped towards proper skills training such the Norwegian Training Center Manila (NTCM), Kongsberg, etc. Nevertheless, the investment in skills-identification, gap-analysis and training will need to be done swiftly, as this can also be a source of overseas employment for Filipinos.

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Financial Viability

OSW developers are looking at earning a profit at the end of the day. But as a new technology, the development of an OSW project is still expensive on a per MW basis as compared to its land-based counterpart and other RE fuel types. There is no more FIT regime in the Philippines, and the Green Energy Auction Program (GEAP) is instituted in lieu of the FIT system. It is a competitive bidding process aimed at encouraging RE developers to actively participate in the development of RE systems. DOE Circular No. DC2021-11-0036 promulgated the GEAP Guiding Principles and has been utilized by the DOE in the past year or so. GEAP bid winners do not enjoy any power purchase agreement/power supply agreement with any distribution utilities or end-users, but are ensured of full recovery of prudent and reasonable economic costs incurred (assuming that their bid offers reflect their true prudent and reasonable economic costs).

The government is still looking at the Contract for Difference (CfD) approach in order to incentivize OSW investors in regard of recovering their full costs and earning a decent profit on top. This is not a newly invented version of a wheel, but rather something that has already been used in Europe and other places. Why is CfD relevant for OSW? For one, the high capital costs. OSW requires billions in upfront investment, which current auction tariffs may not cover. Second is investor confidence. CfD provides revenue certainty, reducing financing risk. CfD can also stabilize returns despite volatility in WESM prices and reserve costs. Countries with successful OSW deployment (UK, Denmark, Taiwan) rely heavily on CfD schemes.

The concept is rather simple. Generators receive (or pay back) a sum of money per Megawatt-hour (MWh) value based on the difference between a wholesale market reference price and the pre-agreed strike price. In one example presented during the joint workshop, a counterparty in CfD arrangement is the Low Carbon Contracts Company (LCCC), Independent, non-profit, private limited companies owned by the Secretary of State for the Department of Energy Security & Net Zero (DESNZ). It was not clarified if all contracts signed by LCCC as counterparty has an effect of a sovereign guarantee. I would suspect that OSW developers might ask for a sovereign guarantee type of arrangement for any CfD contracts that might be implemented in the Philippines.

Currently, I think that DOE continues to consider CfD as a option for OSW. DOE must have already acknowledged that the current Green Energy Auction Program (GEAP) tariff framework may not be sufficient to attract large-scale OSW investment. DOE has been studying CfD models used in the UK, Denmark, and Taiwan, where governments guarantee a fixed strike price for renewable energy, with differences settled against wholesale market prices. Today, CfD remains under DOE's policy review.

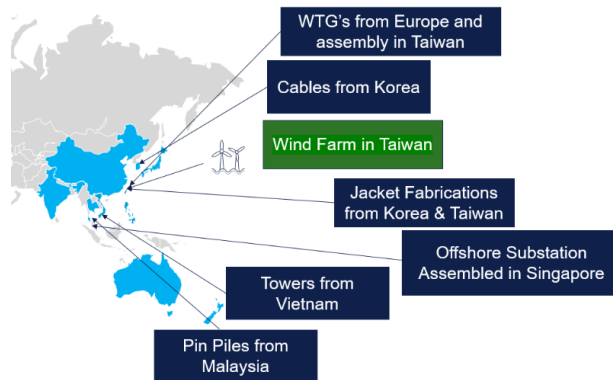
Further Collaboration

There now exists a Philippines Offshore Wind Joint-Industry Programme (POWJIP). The POWJIP Steering Committee is co-chaired by the DOE and Carbon Trust and comprises of 16 local and international developers and two tier-1 suppliers. The aim is to accelerate offshore wind development in Philippines by conducting impactful research that resolves barriers to offshore wind and build capacity with offshore wind sector participants in the Philippines and raise awareness of the opportunity it presents to Philippine economy and people. An interesting example was mentioned by DNV as illustrated below:

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HSE in OSW

Some data here from ERM, as taken from 2022 G+ Global Offshore Wind incident data report:

- In 2022 offshore wind experienced 210 high-potential incidents with the possibility of death or life-changing injury - up 10% from 2021
- The 2022 total recordable injury frequency rate (TRIFR) was 2.82 per million hours worked a decreasing from 3.28 in 2021. Likewise lost time injury frequency rate (LTIFR) decreased from 1.55 in 2021 to 1.03 in 2022

The first point above is alarming; the second is indicative of HSE improvements.

According to ERM, a proactive approach to EHS risk management should improve risk visibility by identifying "hidden risks" within the organization, reduce costs by dealing with business threats before they arise, rather than allowing them to develop into bigger problems, make informed decisions based on quantitative risk data, rather than guesswork or a "gut feeling," demonstrate compliance and continuous improvement in relation to current and future regulations, increase shareholder confidence by lowering the company's risk profile, and gain a competitive advantage by operating efficiently.

To be more prepared for the OSW projects that were about to be pursued, the availability of relevant trainings is needed. Today, Denmark-based -Global Wind Organization (GWO) trainings are a common standard requirement for offshore operations. We recommend looking at their website (<https://www.globalwindsafety.org>) for more information about their work and their standards.

Disaster Risk Preparedness

There already exists a system for monitoring, analyzing, and managing shipping and marine activity through coastal waters and Exclusive Economic Zone (EEZ) wherein data is acquired from strategically located coastal stations and processed/displayed at a central monitoring center. Such a system, which is operational in many littoral nations already, can be implemented in the Philippines under the aegis of the Philippine Coast Guard (PCG), with support from DoTr and MARINA.

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It will enable better emergency response, better monitoring of our ocean resources, and will help drive our domestic maritime industry towards the ambitions set by MARINA for the next decade.

The PCG covers this as part of its role in cases of oil spills, and their inspection and monitoring mandate over vessels, which, by way of a properly improved policy, could be made to extend over OSW installations. The PCG has apparently an ongoing active rationalization of its current mandate precisely to look into this.

Government should also rationalize the current roles of the National Disaster Risk Reduction Management Council, which is an inter-agency mechanism led by the Department of National Defense (DND), and its Technical Secretariat, the Office of Civil Defense (OCD). The current structure is such that the NDRRMC has a working structure at the national and regional level through the OCD offices, but below that, the provincial, municipal and city disaster risk reduction management offices (DRRMOs) are under the Local Government Units (LGUs). One of the things I imagine would need to be developed is a policy that would make major infrastructure and installations in a locality part of the local DRRMO meetings and crafting of plans.

Local Government Units (LGUs)

The Philippines has about 16,000 local government units, and each one may have their own policy, their own processes, their requirements, their fees. OSW developers will have to deal with LGUs that geographically control the project sites. And since offshore wind projects tend to be huge area-wise, developers therefore may have to deal with more than one LGU. There had been instances in the past wherein LGUs have issues among themselves when it comes to land-based boundaries. It could be more complicated for offshore project sites.

CONCLUSION

While we have not gone offshore yet, it is clear in this update that we are just about to go!

The Philippines has the potential, demand, roadmap, incentives, and global recognition — yet offshore wind (OSW) projects remain stalled at the shoreline. The reasons are no longer simply technical hurdles; they are questions of political will, investment readiness, and speed of execution.

Globally, the GWEC Global Wind Report 2026 makes clear that offshore wind is no longer experimental. With 165 GW of new installations in 2025 and floating wind industrializing at scale, countries across Asia-Pacific are racing to secure their share of this transformation. The Philippines is now explicitly identified as a “market to watch”, alongside South Korea and Vietnam, where regulatory reforms are rapidly creating investible pipelines. This global spotlight raises the stakes: delay risks losing competitiveness, credibility, and investor confidence.

The hurdles we face — ports not yet offshore-ready, grid integration lagging, financing gaps, and supply chain immaturity — are not unique to us. They are the same challenges other emerging markets have overcome through decisive government action, blended finance, and public-private collaboration. GWEC emphasizes that where stable policy frameworks, timely grid investment, and clear auction design exist, offshore wind delivers quickly, efficiently, and competitively.

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The Philippines must now treat OSW as a national security and industrial competitiveness imperative. With 53.7% of primary energy imported, reliance on fossil fuels exposes the economy to geopolitical shocks and volatile prices. OSW offers strategic autonomy, reducing dependence on imports while creating jobs, upgrading ports, and strengthening supply chains.

The call-to-action now, while the iron is hot, would be as follows:

1. Accelerate Port Readiness

- Upgrade Sta. Clara (Batangas), Pambujan (Camarines Norte), and Currimao (Ilocos Norte) as priority OSW hubs.
- Secure ODA financing and blended PPP models to fast-track port modernization, following Taiwan and Vietnam's example.
- Establish clear OSW port standards for fabrication, assembly, and heavy-lift logistics.

2. Embed OSW in Grid Planning

- Integrate OSW into NGCP's Competitive Renewable Energy Zones (CREZ).
- Double transmission capacity by 2040, aligning with DOE's 52.8 GW RE target.
- Deploy Battery Energy Storage Systems (BESS) and synchronous condensers to stabilize grid inertia.

3. Mobilize Financing

- Encourage local banks to finance OSW, leveraging liquidity identified by the Rockefeller Foundation study.
- Introduce Contracts for Difference (CfD) to de-risk investments and guarantee revenue stability.
- Attract foreign capital by ensuring transparent auction design and sovereign-backed guarantees.

4. Develop Supply Chain Capacity

- Establish training programs with Norwegian Training Center Manila (NTCM) and global OSW leaders.
- Incentivize local manufacturing of turbine components, foundations, and subsea cables.
- Build partnerships with global Tier-1 suppliers to transfer technology and expertise.

5. Strengthen Policy & Governance

- Continue to streamline permitting through EVOSS, eliminating duplication and reducing fees.
- Institutionalize the Philippines Offshore Wind Joint-Industry Programme (POWJIP) as a permanent collaboration platform.

6. Leverage Global Momentum

- Position the Philippines as a regional OSW hub in Asia-Pacific, capitalizing on GWEC's projection that the region will be the third-largest offshore wind growth market by 2030.