

Hybrid Public Consultation on the Draft Policy and Administrative Framework for Offshore Wind Development (OPAF)

DOE OSEC Conference Room

07 June 2023

Transcription of Questions and Answers

Atty. Mikhail Tupaz, Office of Undersecretary for Legal Services, DPWH

Question: Thank you, Secretary. Good morning po. DPWH would again like to iterate its support in the offshore wind energy development but we would like to pose a query on Section 13.Transmission.We would like to be clarified if it would be the TransCo/Network Service Provider and OSW Developers that would be coordinating with the DPWH as regards in erection and/or construction of poles and facilities necessary for the transmission lines for the wind power projects? Thank you po sir.

Assistant Secretary Mylene C. Capongcol, DOE

Response: Thank you Sir for that question. Actually, Yes. It would be NGCP or the Network Service Provider who will coordinate with you on the development of the onshore transmission line to ensure consistency and safety also. Thank you.

Secretary Raphael P.M. Lotilla, DOE

Additional Response: I think last time you made a point that you would need to take into account the expansion plans of the Right-of-Way for the Transmission lines, which you would need to include in the Right-of-Way for the national highways for DPWH. We took note of that.

Atty. Mikhail Tupaz

Response: Yes Mr. Secretary. And for your information po Sir, the DPWH submitted its position paper last June 5, 2023, not only with regard to the erection of cables and poles for energy transmission, but also the construction of buildings for energy generation and/or distribution. For the information lang po.

Secretary Raphael P.M. Lotilla, DOE

Response: Yes and I wanted to add that I had mentioned to Secretary Bonoan that since we are building several bridges now whether it is the Manila Bay Bridge, Panguil Bay Bridge, and the Iloilo-Guimaras to Negros Bridge, we can consider the bridges for purposes of the new transmission lines, for submarine cables or whatever would be needed on the energy side. So, I think we would need to coordinate with you more

closely on this. Since it did indicate that the bridges will form multiple leases, therefore we need that to take it into account.

Mr. Darius Marasigan, Business Development Manager, Basic Energy Corporation

Question: Is the foreshore lease agreement with the DENR also applicable in construction of offshore wind projects?

Secretary Raphael P.M. Lotilla, DOE

***Response:** We are sorting things out with DENR. The foreshore lease is one. In certain cases where it falls within fifteen-kilometer zone of the local government unit we are sorting things out to each unit/entity that has jurisdiction over the foreshore. Building permits would have to be obtained from the local government units if the projects is located within fifteen-kilometer zones. And for the foreshore leases, these are with the DENR and that would be covered by the guidelines that they will be issuing soon.*

Mr. Darius Marasigan, Business Development Manager, Basic Energy Corporation

Question: On a technical perspective, there are the so-called nearshore and real offshore, is the nearshore would fall in this guideline? Or it would be with the existing wind energy service contract? We are talking with nearshore, which is the construction or installation of a wind farm within fifty to sixty meters depth of water.

Assistant Secretary Mylene C. Capongcol, DOE

***Response:** Nearshore refers also to fixed-bottom offshore wind development. Iba yung construction nya, but the Circular will cover everything as long as it is an offshore wind development project. For floating kasi, it is more than fifty meters depth in water.*

Mr. Luisito Poblete, President & CEO, Basic Energy Corporation

Question: In developing the transmission system connecting the wind power plant to the Grid, there are certain situations where the distance from the project site is quite or materially far from the Grid. So, do you have any guidelines on using submarine cables if that's a feasible option to minimize the cost of the construction of the transmission towers connecting the power plant to the nearest Grid?

Secretary Raphael P.M. Lotilla, DOE

Response: *We are looking into that and the suggestion from you will be welcome at this. We are looking at experiences in other jurisdictions. This is part of clarification process that is ongoing right now. But we are taking note on your concern, and we will make sure to address and make the necessary coordination to other government agencies.*

Atty. Rio Inocencio, AC Energy

Question: We would like to clarify the involvement of the Local Government Unit in so far as permitting is concern? Does it also mean that the DILG will be the one to submit the permitting process of the LGUs?

Secretary Raphael P.M. Lotilla, DOE

Response: *We have agreed that DILG will relay their requirement from the LGU and that it will be submitted by DILG.*

Undersecretary Sharon S. Garin, DOE

Additional Response: *In the EO21, DILG is specifically named in one of the Section as to their role in the policy and administrative framework, and so during the last meeting, they assured us that they will help us with the LGU's. The DILG can instruct LGUs on what to do so that the requirement hopefully be uniformed. But there are other areas of the permitting process that is solely for LGU, so I don't think you can do away with that. They are an autonomous unit and hence, they have their own powers and functions as well.*

Secretary Raphael P.M. Lotilla, DOE

Additional Response: *The LGU can exercise permitting power over building/ wind project component that are on onshore and within the 15 km zone. We also want to have a uniform permitting process.*

Mr. Kenneth Juquiana, AC Energy

Question: May we inquire the timeline for the issuance of OSWESC timeline? We are aware that a public consultation on the draft OSWEC was already conducted, and we just want to have clarity.

Assistant Secretary Mylene C. Capongcol, DOE

Response: *We have a draft already. But taking into account the additional inputs and updates. The detailed guidelines on the offshore wind developments can be issued in 2 months.*

We are having a deep study on the timelines or the development activities because we adapted the onshore technology for the issuance of the contract based on the current guidelines. We have done several consultations with the players as well as the government agencies, and we are planning to have a more specific timeline of development like extending the pre-development stage from five (5) to seven (7) (years). There is also a plan or decision, whether it is a go or no-go for the developer, as well as the commercial and development stage of the project.

We are having challenges on finalizing the guidelines because of the so many unknowns that we are still gathering.

Mr. Brent Niko Dargantes, CleanTech Global Renewables Inc.

Question 1: What are our implementing rules and regulations, if any, for either carving, preference or co-existing of offshore wind energy service contracts with oil and gas exploration service contracts?

Question 2: Will CAAP have revised guidelines for height clearance permits and/or height limitations certifications for on-going offshore wind development project?

Vincent Paul Galdones, Civil Aviation Authority of the Philippines

Response: *Sa mga itatayong mga windmill na malapit sa airport na makakaapekto sa mga flight path, dapat pong makipagcoordinate ang RE Developer sa CAAP para mabigyan po ng mga height limitations kung ano po yung mga allowed na height at para para ma-compute po ng CAAP kung ano lang po yung mga allowable height na pwede na di makaka-affect sa flight path natin. For the purpose of safety na rin ng ating mga eroplano.*

Secretary Raphael P.M. Lotilla, DOE

Follow up Question: Do you have any guidance as to who would be affected or who would we consult with you?

Vincent Paul Galdones, Civil Aviation Authority of the Philippines

***Response:** Yes, Sir. Meron pong three (3) mga services ang CAAP na magko-compute kung ano po yung mga height limitations at kung ano lang po yung mga allowed height na pwede itayo malapit sa airport.*

Secretary Raphael P.M. Lotilla, DOE

***Follow-up Question:** We would appreciate later advice from CAAP. for example within the radius of how many kilometers from the airport itself that such height clearance would have to be requested?*

Vincent Paul Galdones, Civil Aviation Authority of the Philippines

***Response:** Yes po, Sir. Meron po kami sa CAAP website para madetermine kung papasok po siya within the critical area ng isang airport at para malaman po kung kailangan niyang mag-apply ng height clearance permit. Bibigyan na lang siya ng certificate. Kasi yung height clearance po kasi pre-requisite ng building permit.*

Undersecretary Rowena Cristina L. Guevara, DOE

Follow-up Question: I would like to ask CAAP since we gave the maps of the locations of the service contracts that the DOE has awarded for offshore wind, would it be possible for CAAP to facilitate the identification of which among those projects will need clearance from CAAP?

Vincent Paul Galdones, Civil Aviation Authority of the Philippines

***Response:** I have to coordinate po with office Ma'am regarding po doon sa mapping para maconsider po yung mga location ng mga windmill na itatayo natin na at least di siya makaapekto doon sa mga airport natin.*

Director Marissa P. Cerezo, DOE

***Response:** On the first question "What are our implementing rules and regulations, if any, for either carving, preference or co-existing of offshore wind energy service contracts with oil and gas exploration service contracts?"*

In the existing omnibus guidelines, we have this multiuse principle, were the existing holder of contract has a prior right, we actually allow co-existing or co-existence of 2 or more resources in a particular contract area for as long as they can be developed simultaneously. We have to coordinate with the existing contract holders. Under the guidelines, we have to give them a certain period to comment on the possible entry of a new project, which is different from their project. If there is no object or no valid reason to disallow, then the DOE will have to decide that the project can be entertained and therefore, co-existence can be developed in a particular area.

Secretary Raphael P.M. Lotilla

Additional Response: *Those of course will have to be observed and Usec. Bacordo is spearheading our mapping of this facility so that the service contractors like potential offshore wind contractors will be guided on where this go or no go on entry zone are.*

Ms. Rowena Jenove, Bosung Solartec Inc.

Question: May I also ask if the LGUs through DILG were informed about the ER 1-94 of DOE for Host beneficiaries? It will be a dilemma for the succeeding years if the DOE/ERC will be requiring for a certain annual work plan/MOU for the beneficiaries. It has been our dilemma for some of our projects under the DOE. It should be clarified or be taken into consideration to this Offshore Wind Energy Projects and Development

Assistant Secretary Mylene C. Capongcol, DOE

Response: *We will study that because under ER 1-94, the host communities refer to the ones who will sustain the power generation facility. In the case of Offshore Wind, it's far from any area, it's in the middle of somewhere offshore but the transmission line or the substation may be covered by certain jurisdiction. So, we'll study on it because if we apply strictly the 1-94, there's no host community -*

Secretary Raphael P.M. Lotilla

Follow-up for Clarification: How about If the offshore wind turbine is within the 15km zone?

Assistant Secretary Mylene C. Capongcol, DOE

Response: *Again, the definition is the generation facility, where it's located even within or outside the 15km, basta may host community po. So, whoever would be that entity will be the recipient of 1-94. But most of the offshore wind are far from shore so possibly it's the transmission line who will pass the area and it will be covered by separate permits by the LGU (i.e., building the structure). For ER1-94, it's not yet covered.*

Alternergy Philippines Holdings, Inc.

Question: On jurisdiction of LGUs. In terms of policy, is it the policy of the DOE that LGU has jurisdiction to permit the project within those municipal water limit in such as they can impose fees for example for the use of those waters? What's the extent of the jurisdiction of the LGU as against the DENR in these areas? Can the DILG help with dispute issues among LGUs with respect to these waters? because sometimes the

borders for the LGU areas are not clearly delineated, so that's kind of like, in terms of policy -- something that needs clarification from our perspective.

Secretary Raphael P.M. Lotilla, DOE

***Response:** They have jurisdiction over fishing activities, as for the others, we are clarifying with the DILG and DENR on these.*

Undersecretary Sharon S. Garin, DOE

***Additional Response:** There are maps that delineates the jurisdiction of municipal waters. If it is outside that, then it cannot be within the jurisdiction of the LGUs. As far as the LGU is concerned, if the WTGs are within the municipal waters, that's within their jurisdiction. If it's outside, as Asec. Mylene is saying, maybe it's the transmission lines but it has to be within the jurisdiction. But I think I'm confident to say that the different agencies (i.e., BFAR and DENR), there are already maps designating which areas belong to which LGUs.*

Alternergy Philippines Holdings, Inc.

Question: If there could be a unified system or maybe list of permits from the LGUs that will be required so it's uniform and there's no duplication also in cases where there's an overlap of the municipal water borders or there are other circumstances where there might be a duplication of permits that necessitates also additional costs or duplicate costs for the developer?

Secretary Raphael P.M. Lotilla, DOE

Response: *The DILG is committed to sort that out.*

Alternergy Philippines Holdings, Inc.

Question: On No-Build Zones. May we ask for the criteria for determining what the no-build zones are, particularly for areas which are already covered by service contracts, existing WESCs?

Secretary Raphael P.M. Lotilla, DOE

Response: *As far as service contracts for oil and gas, these are identifiable. While the service contract area for oil and gas is lower/smaller, there are only specific areas (e.g., around the rig or certain distance from the pipeline) that you cannot go into or enter.*

Now as for the marine protected areas and so on, that is also being mapped out by the DENR so that when we do the actual marine spatial planning for every service contract area, then this can be more clearly defined. So areas have to set out for that safety of navigation and so on.

If you have a large service contract area but not all that area is of course free for you to build on. And the marine spatial planning here will be important exercise because that will enable all the stakeholders with competing marine uses to have to sort out all these uses. So not all wind can be used for Offshore wind as you are aware, and we have to make provisions for accommodating existing competing uses.

Alternergy Philippines Holdings, Inc.

Question: On the database to be created for purposes of the document submission for permitting requirements. We trust that there will be confidentiality protections for these documents

Undersecretary Rowena Cristina L. Guevara, DOE

***Response:** On the third question, regarding the confidentiality protection in our database, our idea is that eventually when all of the permitting agencies have submitted all of their processes to the EVOSS and that they have all been integrated, then each agency might be using the same paper that you will submit. So instead of you submitting it several times to different government agencies you will only submit it once. In that case the EVOSS will be sharing it among all those permitting agencies that require a particular submission. But the rest will not be able to access it. Only those that require a specific document for permits. So when you enroll in EVOSS you will be required to sign an agreement to the use of EVOSS, so you will see how the department protects confidential papers or submissions from each of you.*

Sam Hernando, Blue Circle

Recommendation: I would like to recommend to the DOE to assist the LGUs in identifying potential wind development sites to be included in their respective land use or plans, including the zoning maps so that it will be easier for the developers to be able to get permits from the LGUs. Actually, they are asking these from us.

Question 1: What would be the role of the DOE with regards to the large gap between the development schedules of Developers for their RE projects compared to the availability of the transmission assets or connection points based on the transmission development plan of NGCP?

Question 2: On the P2P, would the converter inverter facility that will be used when we go subsurface or under the water going to the land for the transmission line be included in the P2P application?

Undersecretary Rowena Cristina L. Guevara, DOE

Response: *I think the suggestion about inclusion of offshore wind development in the comprehensive land use plans of municipalities is well taken. We will work on that.*

Secretary Raphael P.M. Lotilla, DOE

Response: *Yes. For example, Bataan has its own coastal zone plan already, so it's a matter of building it into that. For others who don't have that, we'll definitely be working together with DENR, we will work on that.*

Undersecretary Rowena Cristina L. Guevara, DOE

Response: *On the first question on the large gaps between completion time of transmission systems and the generator completion time, the DOE has already formed a team consisting of EPIMB, PPDD, Transco and some professors with the University of the Philippines to figure out how we can plan this. We are also working with the National Grid Corporation of the Philippines in making sure that projects that are needed for offshore wind and other renewable energy projects are completed on time.*

On the second question, the P2P converter inverter facility, the ERC is supposed to come up with guidelines also for the policy and framework. So let us wait for ERC to send their guidelines on this converter inverter facility.

Secretary Raphael P.M. Lotilla, DOE

Additional Response on the Second Question: *You are welcome of course to submit your recommendations or your suggestions so that we can infer them to ERC.*

Cynthia Muring, Philippine Ports Authority

For information: *Relative to the offshore wind project, which I think will fall under the category of private ports for energy related project. Please be informed that the Philippine Ports Authority has established rules and prescribed procedures in the processing of private port application for energy related projects through the issuance of Philippine Ports Authority Memorandum Circular No. 21-2020 which is available in the PPA website. This Memorandum Circular was established relative to the processing of private ports application for energy related projects in compliance with the Republic Act 11234 or EVOSS Act.*

Secretary Raphael P.M. Lotilla, DOE

Response: *Thank you for that information. We are continuously coordinating with PPA because in some cases we will be using PPA ports that we are going to need for expansion for the improvement of the existing ports. For other cases, PPA may involve with private partners as well in developing some of these ports and PPA has particularly mentioned that the private ports themselves.*

Undersecretary Giovanni Carlo J. Bacordo, DOE

Question referred to PPA: The comments from PPA is duly noted. Does this memorandum circular apply to repurposing of the existing ports?

Ms. Cynthia Muring, Philippine Ports Authority

Response: *Yes sir.*

Undersecretary Giovanni Carlo J. Bacordo, DOE

Additional information: *For the purpose of the offshore wind, we are actually looking at government ports, that is why we have several meetings already with the PPA. We also have considered private ports but that really depends on the situation. We are looking on different investment schemes to finance these, like joint ventures for private ports or PIP (Public Investment Program) or PPP (Public-Private Partnership) schemes for government ports.*

Mr. Conrad Tolentino, wpd Philippines Onshore, Inc.

Question: On Section 16, do we have a tentative timeline on when shall this happen? How will DOE nominate the areas as priority to be subject for Marine Spatial Planning? Reason thereof is in Guimaras Strait for example, numerous OSW have already acquire energy service contract in the areas - some already in a no-build zone as advise by World Bank. For OSW developers such as us, we believe that all challenges has solutions and mitigation & would heavy invest on studies & possible solution. So earlier we can be informed on the no-build zone will be benefit on both investor developer and DENR itself.

Assistant Secretary Mylene C. Capongcol, DOE

Response: *With the assistance of the Energy Transition Partners, we will be undertaking the Marine Spatial Planning which will be done in 12 months, and it will start possibly in June or July as there is already a consultant engaged. We will be having our*

meeting next week to discuss the full disclosure of the technical assistance. Hopefully by June next year we will have the result of the Marine Spatial Planning.

Secretary Raphael P.M. Lotilla, DOE

***Additional Response:** We also have an idea on which projects are more advanced than others. Secondly, sites which does not need any upgrades in the district transmission lines.*

Ms. Airene Hipolito, Vena Energy

Question: While waiting for the detailed guidelines of this policy. I would like to ask if the developers would be allowed to do the critical work stream such as geotechnical investigation or seabed testing and if yes, who are the agencies we can initially coordinate with to get those necessary permits and licenses.

Secretary Raphael P.M. Lotilla, DOE

***Response:** The DENR has declared a moratorium on Environmental Compliance Certificate, which is still in effect on granting of permitting and procedures for offshore activities. Also, we have a timeline, and the initial guidelines will be up within the month. Let's try to identify which activities of yours that would need clearances because by a certain period, we will be able to identify which pre-development activities need not be subjected to some permitting because they are not inclusive or having a significant adverse impact really in marine environment and for the rest, we will have to review the guidelines of DENR.*

Atty. Rio Inocencio, AC Energy

Question: Mr. Secretary, if may we also request that the Bureau of Fisheries and Aquatic Resources and MARINA be included in the formulation of the Marine Spatial Planning under section 16 of the OPAF.

Secretary Raphael P.M. Lotilla, DOE

***Response:** That is noted (inclusion of BFAR and MARINA).*

Atty. Rio Inocencio, AC Energy

Question: I just want to request also the DOE, if we can also add the review on the impact on whether there is a real property tax on the same. I think it's the same issue on whether if the ER1-94 might not be applicable, maybe the real property as well should be clarified. We just wanted to make sure which Financial Obligations the developers would be exposed to.

Secretary Raphael P.M. Lotilla, DOE

Response: *Are you trying to convert us into a tax agency? (Answered by Atty. Inocencio with a "No"). But if you have further questions or comments please free to submit them in the timeline. And we will respond to them.*

Mr. Darius Marasigan, Basic Energy Corporation

Question: In terms of tariff formulation policy, is OSW projects will have a different tariff rate versus onshore wind projects?

Undersecretary Rowena Cristina L. Guevara, DOE

Response: *Yes. Even for solar, tariff for ground-mounted is different from floating solar. So we imagine the same with wind for the offshore wind versus the onshore wind project.*

Mr. Darius Marasigan, Basic Energy Corporation

Question: As a matter of policy, how would DOE settle in case of high viable OSW falls under the medium to high density marine traffic area?

Secretary Raphael P.M. Lotilla, DOE

Response: *For those project located who are not located in high volume marine area, then there would be less problems. But if you choose to locate (e.g., within Manila Bay), then will be more challenges.*

We have to be realistic. There was a map provided by the world bank, focused on the areas where there are not too many competing users. So as much as possible, let's be conscious of that, when you concentrate your activities or your service contracts in areas where there aren't any competing users, then they are in there to settle. But we

would like to involve stakeholders in order to reconcile. Because there's a way of reconciling. But as for others, it's too much in terms of its process, its intensive. You're just getting all the different stakeholders then you have to wait whether it is worth the effort of doing so. I would not like to discourage you but let's be selective. On discriminating our choices of where to locate. Because even if it is ideal for offshore wind, it does not mean that we can have greater priority than other activity.

Ms. Ina Arriola, Alternergy Philippine Holdings, Inc.

Question: In RE, the Marine Spatial Planning, perhaps on a case-to-case basis, we can be allowed to coordinate with DOE, DENR and other concerned agencies to solve no build zone-issues (e.g. proximity of pipelines, etc.) through technology, rather than carving out WESC areas which were chosen on the basis of their wind resource?

Response: Undersecretary Rowena Cristina L. Guevara, DOE

Response: It is possible that you can tell us what technologies are out there to mitigate the situation. Because you will be informed if you have to carve out any area.

Secretary Raphael P.M. Lotilla, DOE

Response: It is not an impossible task. You can see from the offshore wind locations in other countries. That's why you see them having some kind of regular pattern because they take into account the navigational needs, fishing needs, and so on. We just have to coordinate with all the stakeholders.

Assistant Secretary Mylene C. Capongcol, DOE

Additional Response: We issued already a policy that we are undertaking this Marine Spatial Planning and then later on we'll update them.