



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

**DEPARTMENT CIRCULAR NO. DC2023-02-**

**PROVIDING POLICIES AND GUIDELINES FOR OFF-SHORE WIND DEVELOPMENT AND AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS OF DEPARTMENT CIRCULAR NO. DC2019-10- 0013, ENTITLED, “OMNIBUS GUIDELINES GOVERNING THE AWARD AND ADMINISTRATION OF RE CONTRACTS AND THE REGISTRATION OF RE DEVELOPERS”**

**WHEREAS**, pursuant to Section 2 of Republic Act (RA) No. 7638, as amended, otherwise known as the “*Department of Energy Act of 1992*” or the “*DOE Charter*”, the Department of Energy (DOE) is mandated to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

**WHEREAS**, Section 2 of RA No. 9136, otherwise known as the “*Electric Power Industry Reform Act of 2001*” or “*EPIRA*”, declares that it is the policy of the State to, among others, (i) ensure and accelerate the total electrification of the country; (ii) enhance the inflow of private capital and broaden the ownership base of the power generation, transmission and distribution sectors; (iii) assure socially and environmentally compatible energy sources and infrastructure; and (iv) promote the utilization of indigenous and new and renewable energy (RE) resources in power generation in order to reduce dependence on imported energy;

**WHEREAS**, Section 2 of RA No. 9513, otherwise known as the “*Renewable Energy Act of 2008*” or “*RE Act*”, declares the policy of the State to encourage and accelerate the exploration, development and utilization of RE resources such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy sources, and including hybrid systems;

**WHEREAS**, Section 2 of RA No.11234, otherwise known as the “*Energy Virtual One-Stop Shop Act*” or “*EVOSS*”, states that the State shall ensure transparency and accountability in the process of approving power generation, transmission, or distribution projects, and deliver efficient and effective service to the public;

**WHEREAS**, on 01 October 2019, the DOE promulgated the *Department Circular No. DC2019-10-0013* entitled, “*Omnibus Guidelines Governing the Award and Administration of RE Contracts and the Registration of RE Developers*” or “*Omnibus RE Guidelines*,” which harmonized and enhanced the

guidelines and procedures governing the transparent and competitive system of awarding RE Contracts and the registration of RE Projects;

**WHEREAS**, the Philippine Offshore Wind (OSW) Roadmap launched in April 2022 identified a potential generation capacity of 178 Gigawatts (GW) that can be harnessed from OSW resources;

**WHEREAS**, the Omnibus RE Guidelines does not account for the new and emerging RE technologies particularly on the peculiarities among and between the different types of wind technologies currently available, and that the requirements, timeline and procedures therein were generally applied to both offshore and onshore wind energy development;

**WHEREAS**, in the course of its monitoring of the OSW Developers activities, the DOE received and encountered several development issues and concerns from its own assessment and/or from the OSW Developers in pursuing the respective DOE-approved Work Programs, particularly on the pre-development and development activities permitting and licensing requirements;

**WHEREAS**, cognizant of the peculiarities of OSW development, the DOE deemed it necessary to review, assess and determine the appropriateness of the existing policies and guidelines for OSW development, timelines based development stage, the requirements, qualifications, and procedures in the award of OSW Energy Service Contracts (OSWESCs);

**WHEREAS**, on 07 November 2022, the DOE issued the “*Advisory on the Enhancement of Policies and Guidelines for the Development of Offshore Wind Projects*,” informing RE Developers and stakeholders on the DOE’s objective to refine the existing policies, framework and guidelines governing the administration of WESC to address the peculiarities of OSW Projects in terms of technical, financial, operational and administrative risks and challenges;

**WHEREAS**, on 15 November 2022, the DOE promulgated Department Circular No. DC2022-11-0034, entitled “*Prescribing Amendments to Section 19 of the Department Circular No. DC2009-05-0008 Titled, Rules and Regulations Implementing Republic Act No. 9513, Otherwise Known as “Renewable Energy Act of 2008,”*” which, in general, paved the way for greater participation of foreign nationals and foreign-owned corporations or associations in RE Projects;

**WHEREAS**, on 15 December 2022, the DOE conducted a Focus Group Discussion with OSW Developers to understand the development issues and concerns and the corresponding recommendations to address the issues and concerns;

**WHEREAS**, there is a need to update and enhance the *Omnibus RE Guidelines* to provide specific policies and rationalize the regulatory framework towards a timely and efficient development and implementation OSW Projects, and further streamline the award of Offshore Wind Energy Service Contract (OSWESCs);

**WHEREAS**, the National RE Program 2020-2040 and the Philippine Energy Plan 2020-2040 aims to increase the share of RE in the power generation mix to at least 35% by 2030 and 50% by 2040, from the current RE share of 22%;

**WHEREAS**, the potential OSW resources, if optimally developed, will play a major role in improving the country's energy security by reducing dependence on imported fossil fuels, and in achieving the country's goal for a low-carbon future;

**NOW THEREFORE**, pursuant to its statutory mandate under the DOE Charter, EPIRA, and RE Act, and the foregoing preceding premises, the DOE hereby issues, adopts and promulgates the policies and guidelines for OSW development in the country:

**Section 1. Requirements and Procedures for OSWESC Application.** The procedures under the Omnibus RE Guidelines in the RE Application shall be observed in the OSWESC Application. The filing shall be made through the EVOSS Platform which shall include the submission of complete legal, technical and financial requirements (Annex-A).

**Section 2. Evaluation Process for OSWESC Application.** The legal, technical and financial documents submitted in support of the OSWESC Application shall be evaluated simultaneously following the EVOSS Process Flow on RE Application (Annex-B).

The financial qualification of the OSWESC Applicant shall be evaluated based on its financial capability to fund the cost of activities for the first three (3) years of the OSWESC based on the template Work Program (Annex-C).

**Section 3. Pre-Development Stage of OSWESC.** The RE Developer shall complete its Pre-Development activities consistent with the DOE-approved Work Program within a period of five (5) years. The term of the Pre-Development Stage may be extended for another two (2) years subject to approval by the DOE after validating that the RE Developer is compliant with its contractual obligations and has completed the following activities:

- 3.1.** Wind data gathering – submission of wind data collected for a period of at least two (2) years;
- 3.2.** Acquisition of Government Permits – submission of copies of permits or proofs of application of permits;
- 3.3.** Planning activities, and other stakeholders' engagements, environment and social surveys (design envelope, geophysical surveys, Geotech surveys).

Any request or application for the extension of the term for Pre-Development Stage shall follow the prescribed Process Flow (Annex-D).

At the end of the Pre-Development Stage, the RE Developer shall submit the Plan of Development (POD) and proof of Financial Closing.

**Section 4. Declaration of Commerciality.** Prior to the expiration of the Pre-Development Stage, the RE Developer shall submit an application for Declaration of Commerciality (DOC). The procedures in the application for, and evaluation of, the DOC application shall be governed by the provisions of the Omnibus RE Guidelines, except that the requirements shall be based on the OSWESC-DOC list of documents (Annex-E).

**Section 5. Development Stage of OSWESC.** Upon confirmation of DOC, the DOE shall issue a Certificate of Confirmation of Commerciality (COCOC) which shall result in the transition of the OSW Project from Pre-Development Stage to Development Stage. The term of the Development Stage shall be equivalent to the balance of twenty-five (25) years reckoned from the award of the OSWESC.

**Section 6. Term of OSWESC.** The OSWESC shall be valid for twenty (25) years, renewable for another 25 years subject to the same terms and conditions provided in the OSWESC template (Annex-F). The RE Developer shall have the following options in applying for the renewal of the OSWESC:

- 6.1. File an application for OSWESC renewal not earlier than one (1) year from the Commercial Operation Date of the OSW Project. Should renewal of the OSWESC be granted, the balance of its initial 25-year term, if any, shall be deemed waived by the OSWESC holder. If approved by the DOE, the term of the renewed OSWESC shall be 25 years from the date of approval of the application for OSWESC renewal; or
- 6.2. File an application for OSWESC renewal within two (2) years but not later than one (1) year from the end of the initial 25-year term. If approved by the DOE, the term of the renewed OSWESC shall be 25 years from the date immediately following the last day of the first 25 years.

**Section 7. Certificate of Registration under OSWESC.** After the award of the OSWESC, the DOE shall issue a Certificate of Registration (COR) within fifteen (15) working days from receipt of a request therefor from the RE Developer. The COR shall be necessary to avail of the applicable incentives under the RE Act. In the case of New Investment or Additional Investment, the DOE shall, after due evaluation and approval, register the New or Additional Investment and issue the corresponding COR under the same OSWESC.

**Section 8. Acquisition of Permits/Clearances from other Government Entities.** The RE Developer shall secure a DOE endorsement of its application for necessary clearances, licenses and permits from other government agencies, instrumentalities, and/or local government units through the EVOSS Platform. The procedures in the application for, and evaluation of, the application for DOE endorsement shall follow the EVOSS Process Flow.

Upon application by the RE Developer, the DOE shall issue an endorsement for the application of System/Grid Impact Study. The endorsement shall be issued upon showing that the RE Developer has completed the preliminary front-end engineering and design (pre-FEED)<sup>1</sup> based on the wind data gathered from the wind measurement facilities installed by the RE Developer in the Contract Area, upon posting by the RE Developer of a performance bond, equivalent to twenty-percent (20%) of the highest annual commitment prior to target date of start of construction as indicated in the Work Program, to guarantee the RE Developer's faithful performance of its contractual obligations. After notice by the RE Developer that the OSW Project construction has commenced and the subsequent site validation of the DOE, the performance bond shall be lifted not later than one (1) month from the start of Project construction.

**Section 9. Provision for Design Flexibility<sup>2</sup>.** To keep pace with the rapid progress in OSW technological development and preserve commercial/market-based competition, the RE Developer may submit an application to change the design of the OSW Project even after the issuance of the COCOC.

The DOE shall evaluate and approve the change in design, if acceptable, within thirty (30) working days from receipt of the application. The RE Developer may present the DOE approval to other government agencies, instrumentalities, and/or local government units that issues applicable permits, licenses, and clearances for OSW Project.

**Section 10. Clustering of OSW Projects.** In order to attain least-cost provision of electricity by reducing costs on grid interconnection/infrastructures, two or more proximal OSW Projects in an offshore area shall be aggregated to connect to a single offshore substation. The cost of construction, operation and maintenance of the substation shall be shared equitably by the RE Developers of the aggregated OSW Projects.

**Section 11. Conversion into the OSWESC Template.** RE Developers under existing WESC in offshore areas shall have the option to convert to OSWESC within thirty (30) days from the effectivity of this Circular.

**Section 12. Assignment of OSWESCs.** No OSWESC shall be assigned within the first three (3) years from the award thereof except when the assignment is to be made to the affiliate of the RE Developer. Thereafter, any request or application for assignment shall be justified by stating the reasons for

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<sup>1</sup> A pre-FEED report shall include outline definition of the wind farm design, turbine dimension envelope, foundation options, electrical export system design, export cable routing, offshore substation design (as applicable), grid connection and onshore substation, construction ports and operational facilities.

<sup>2</sup> Design flexibility includes changes in the technical characteristics which may occur and/or be implemented later in the project development, such as the number of turbines, variations of rotor diameters and blade tip heights, and different foundation types.

the request, and deemed acceptable to the DOE, after its review and evaluation.

**Section 13. Repealing Clause.** All previous issuances inconsistent with this Circular are hereby repealed or amended accordingly.

**Section 14. Separability Clause.** If for any reason, any section or provision of this DC is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

**Section 15. Effectivity.** This Circular shall take effect fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation and filing with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR), and shall remain in effect unless otherwise revoked.

**RAPHAEL P.M. LOTILLA**  
Secretary

Issued this \_\_\_\_\_ 2023 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.