

Renewable Energy Outlook

Government Policy

2009 RE Policy Framework – National Renewable Energy Program

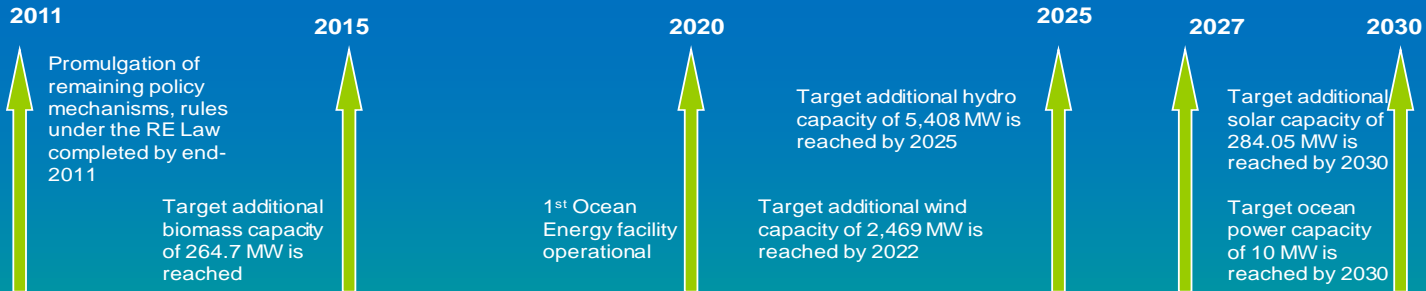
- Increase RE-based capacity by 200% within the next 20 years (2011-2030)
- Increase non-power contribution of RE to the energy mix by 10 MMBFOE in the next ten years
 - Be the number one geothermal energy producer in the world (additional 1,495 MW)
 - Be the number one wind energy producer in Southeast Asia (up to 2,500 MW)
 - Double hydro capacity (additional 5,400 MW)
 - Expand contribution of;
 - biomass - 265 MW
 - solar - at least 280 MW
 - ocean energy – at least 10 MW

Renewable Energy Outlook, 2011 – 2030

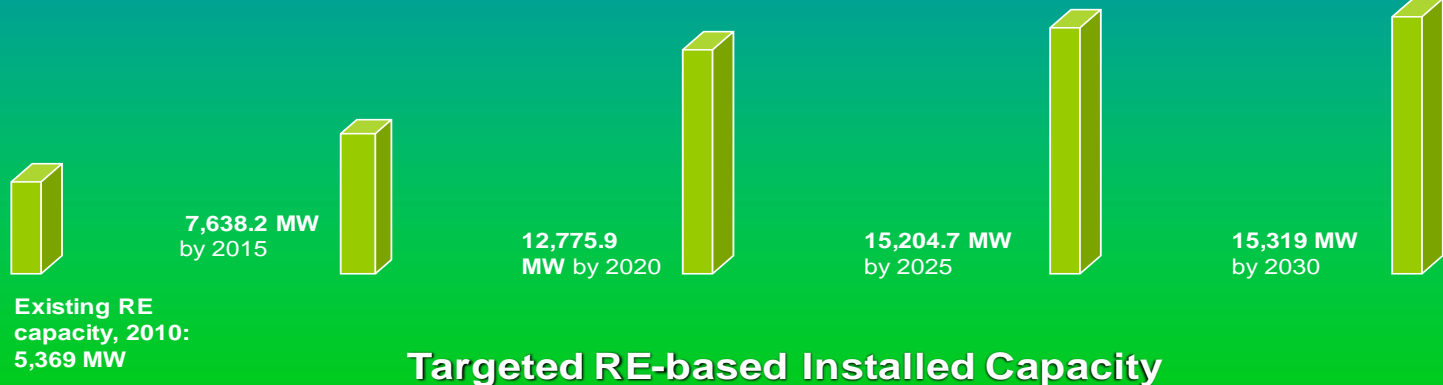
under the

“National Renewable Energy Program”

Consolidated Milestones



Implementation of Sectoral Sub-Programs and the Policy and Program Support Component



Targeted RE-based Installed Capacity

Note: The National Renewable Energy Program (NREP) is a live document and will be subjected to public consultations. Figures presented may change based on regular updates of the NREP.

Market Barriers

- High upfront cost and technologies
- Non-competitiveness
- Non-viable markets
- Inaccessible Financial Packages
- Social Acceptability

To address these barriers, the Government promulgated landmark Laws to accelerate development of renewable energy resources.

Landmark Laws

**Republic Acts Nos.
(RA) 9367 and 9513**

RA 9367: Biofuels Act of 2006

Provide fiscal incentives and mandate the use of biofuel-blended gasoline and diesel fuels

BIODIESEL

- ❑ 2008 consumption of 91 million liters (CME)
- ❑ 1% biodiesel blend sold in all gasoline stations
- ❑ 2% biodiesel blend by Feb. 6, 2009

BIOETHANOL

- ❑ Actual production of 611,235 liters
- ❑ Start of 5% by total volume mandate on Feb. 6, 2009



RA 9513: Renewable Energy Act of 2008



Accelerate the development of the country's renewable energy resources by providing fiscal and non-fiscal incentives to private sector investors and equipment manufacturers / suppliers.

Policies under RA 9513

- Accelerate the exploration and development of renewable energy resources
 - achieve energy self-reliance
 - to reduce the country's dependence on fossil fuels
 - minimize the country's exposure to price fluctuations
 - adoption of clean energy to mitigate climate change
 - promote socio-economic development in rural areas
- Increase the utilization of renewable energy by providing fiscal and non fiscal incentives;

Policy Implementation

- Establishment of the Renewable Energy Management Bureau
 - DOE's lead unit in the implementation of the Acts
 - Operationalized on 14 July 2009
 - Creation of the Interim Negotiating Panel for RE Service / Operating Contracts on 09 September 2009
- Creation of the National Renewable Energy Board
 - Created Sub-committees and working groups to facilitate the formulation of mechanisms, rules and guidelines on the ffg.:
 - Renewable Portfolio Standard / Feed In Tariff
 - Net Metering
 - Green Energy Option
 - Renewable Energy Trust Fund
- Creation of the National Biofuels Board
 - Formulated the National Biofuels Program
 - Promulgated the Joint Administer Order providing guidelines for the production, transportation, storage, and handling of biofuels in the country.

Policy Mechanisms

✿ Lowering of investment costs

✿ Fiscal Incentives

- ✿ Income Tax Holiday and Low Income Tax Rate
- ✿ Reduced Government Share
- ✿ Duty-free Importation of Equipment and VAT-zero Rating
- ✿ Tax Credit on Domestic Capital Equipment
- ✿ Special Realty Tax Rate on Equipment and Machinery
- ✿ Cash Incentive for Missionary Electrification
- ✿ Exemption from Universal Charge
- ✿ Payment of Transmission Charges
- ✿ Tax Exemption on Carbon Credits

Policy Mechanisms

✧ Enhanced Competitiveness

✧ Mandatory Utilization of RE Resources

- ✧ Biofuels Mandate

- ✧ Renewable Portfolio Standard (RPS)

- ✧ Feed-In Tariff (FIT)

✧ Provision of Interconnection / Ancillary Services

✧ Other Market Options

- ✧ Net Metering Concept

- ✧ Green Energy Option

Where are we now?

RE Resources	PD 1442 / RA 7156 / EO 462 / MC 55		RA 9367 / RA 9156	
	No. of Companies	No. Of Projects	No. of Companies	No. of Projects
Biomass	-	-	11	11
Biofuels	5	5	11	11
Geothermal	4	10	11	21
Solar	-	-	1	1
Hydropower	11	27	31	125
Ocean	-	-	2	3
Wind	6	9	12	44

The Way Forward

PENDING CONTRACTS

RESOURCE	No. of Contracts	Under Pre Dev.	Under Dev.	Existing
Hydro Power	255	252	0	3
Ocean Energy	18	18	0	0
Geothermal	21	17	0	4
Wind	62	61	0	1
Solar	3	3	0	0
Biomass	23	0	20	3
Total	382	351	20	11

PENDING OWN-USE REGISTRATION

RESOURCE	Number of Contracts	Under Pre Dev.	Under Dev.	Existing
Biomass	3	0	0	3
Total	3	0	0	3

The Way Forward

- ✿ Setting of Renewable Portfolio Standard (RPS) and Feed-In-Tariff (FIT) Rates
- ✿ Formulation of Guidelines on other RE Policy Mechanisms (Net Metering, Green Energy Option, etc.)
- ✿ Establish Energy Investment Coordinating Center and Linkages with other Government Regulatory Agencies
 - ✿ *NEDA PPP One-Stop-Shop (DTI / BOI / DOF / BIR, BOC)*
 - ✿ *DENR / EMB, FMB, LMB, NSWMC*
 - ✿ *NWRB / NCIP*
- ✿ Resource Inventory and Establishment of RE Database
- ✿ Capacity Building / Information, Education and Communication Campaigns
- ✿ Investment Missions / Business Meetings

Thank you ! ! !

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