



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

DEPARTMENT CIRCULAR NO. DC2023-06-0020 *Qw*

POLICY AND ADMINISTRATIVE FRAMEWORK FOR THE EFFICIENT AND OPTIMAL DEVELOPMENT OF THE COUNTRY'S OFFSHORE WIND (OSW) RESOURCES

Pursuant to Section 2 of Executive Order (EO) No. 21 titled, "*Directing the Establishment of the Policy and Administrative Framework for Offshore Wind (OSW) Development*" issued on 19 April 2023, the Department of Energy (DOE), in consultation with concerned stakeholders, hereby issues, adopts and promulgates the following policies and administrative frameworks for the efficient and optimal development of the country's OSW resources, which shall be made applicable to all Permitting Agencies (PAs):

Section 1. Title. This Circular shall be known as the "Policy and Administrative Framework for Offshore Wind Development in the Country" or the "OPAF".

Section 2. Declaration of Policies. It is hereby declared the policy of the State to:

- 2.1. Encourage the development and utilization of OSW resources as a means to effectively achieve the energy transition agenda of the Government and to contribute to the Sustainable Development Goal (SDG 7) of ensuring access to affordable, reliable, sustainable and modern energy for all;
- 2.2. Accelerate the exploration and development of indigenous OSW resources to achieve energy self-reliance, through the adoption of sustainable energy development strategies and reduction of the country's dependence on imported fossil fuels, thereby minimizing the country's exposure to price fluctuations in the international markets, the effects of which trickle down to almost all sectors of the economy;
- 2.3. Streamline the requirements, processes and procedures for Offshore Wind Energy Service Contract (OSWESC) application, administration and development, which shall be integrated in the Energy Virtual One-Stop Shop (EVOSS) System to ensure transparency, accountability and timeliness in the process of approving OSW Projects and related activities thereto; and
- 2.4. Adopt a Whole-of-Government Approach to streamline and expedite the approval process of PAs for the issuance of permits, licenses and clearances for OSW Projects, and eliminate unnecessary delays in every stage of the project development.

Section 3. Scope. This Circular shall apply to all OSW Projects throughout the country and to all departments, bureaus, offices, agencies, government-owned and/or controlled corporations, local government units, and other entities involved in the permitting process of OSW Projects.

Section 4. Definition of Terms. For purposes of this Circular, the following terms shall be defined and apply:

- (a) *Energy Virtual One-Stop Shop (EVOSS)* refers to the energy virtual one-stop shop established under the EVOSS Act¹;
- (b) *EVOSS Steering Committee (ESC)* refers to the committee created under the EVOSS Act;
- (c) *EVOSS System* refers to the online system that allows the coordinated submission and synchronous processing of all required data and information and provides a single decision-making portal for actions on applications for permits or certifications necessary for, or related to, an application of a proponent for new power generation, transmission, or distribution projects;
- (d) *Network Service Provider (NSP)* shall be as defined under the Wholesale Electricity Spot Market (WESM) Rules;
- (e) *OSW Applicant* refers to an entity intending to develop an OSW Project and applies for an OSWESC with the DOE;
- (f) *Offshore Wind Energy Service Contract (OSWESC)* refers to the Renewable Energy (RE) Contract issued and awarded by the DOE for the exploration, development and/or utilization of wind energy in offshore areas, which include estuaries and other bodies of water. This includes Wind Energy Service Contracts (WESCs) awarded for offshore wind development prior to the issuance of the Implementing Guidelines of EO 21 (EO 21-IG);
- (g) *OSW Developer* refers to a holder of an OSWESC or WESC in offshore areas entered into with the DOE granting exclusive rights to develop an OSW Project within a specific development area/site;
- (h) *OSW Development Activities* refer to the activities that must be undertaken to completely develop an OSW Project covering the pre-development, construction and commercial operation stages, as stipulated in Section 4 of EO 21-IG;
- (i) *OSW Project* refers to a project for the exploration, development and utilization of OSW resources for power generation and other products and uses, such as hydrogen and other by-products derived from OSW Project operations;

¹ Republic Act (RA) No. 11234, "An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects", 08 March 2019.

- (j) *Permit* refers to the written document authorizing a person or entity to conduct specified activities in a specified area or industry for a specified period of time, involving specified goods and/or services as required by law, rules, and regulations;
- (k) *Permitting Agencies* refer to agencies of the Government or relevant entities that are concessionaires or franchisees of the Government, that issue permits or authorizations relevant to or required for the development of OSW Projects. The list of PAs is provided as Annex A of EO 21; and
- (l) *Whole-of-Government Approach* refers to the approach that integrates and harmonizes the collaborative efforts of the departments and agencies of the Government for the successful development of OSW resources in the country.

Section 5. Permits for OSW Development Activities. In compliance with Section 3 of EO 21 and Section 6 of EO 21-IG, all PAs shall submit to the DOE on or before 18 June 2023, the complete list of appropriate permits and clearances, including all requirements, fees and detailed process flow diagram using the EVOSS format. In the event that a PA has jurisdiction over any aspect of the OSW development but does not have an existing permitting process, if applicable, the PA shall formulate a new and suitable process.

Further, all PAs shall indicate the following information to properly guide and aid the EVOSS Secretariat:

- a. The specific OSW Development Activity to which the permit or process applies;
- b. Legal bases for requiring the permit;
- c. Online platform hosting capability for the filing and processing of permit, if any; and
- d. Focal unit administering the permitting process and its corresponding contact details.

Section 6. Non-Compliance of PAs. All PAs shall submit the permitting requirements described under Section 5 of this Circular.

The PA may rectify its submission within fifteen (15) days, extendible for the same period, from receipt of the notice of deficiency from the EVOSS Secretariat. The EVOSS Secretariat may not accept any submission beyond the period prescribed herein.

Failure of the PA to comply with any of the provisions shall be considered an administrative offense in violation of RA 11234. Consequently, any additional requirement of the PA may only be considered in the next review period pursuant to Section 6 of EO 21-IG.

Section 7. Evaluation of Permits, Processes, Requirements and Fees. The EVOSS Secretariat shall streamline and harmonize the permits and corresponding processes, requirements and fees leading to the expeditious and efficient development of OSW resources. Considering the uniqueness of the OSW development, the ESC through the EVOSS Secretariat shall:

- 7.1. Remove any duplications and overlapping permits within and among PAs and their attached bureaus or offices;
- 7.2. Simplify the application forms, processes and requirements;
- 7.3. Remove duplicate and redundant documentary requirements and those that are not expressly mandated by relevant laws;
- 7.4. Ensure compliance with the time frames for the issuance of permits prescribed under Section 13 of the EVOSS Act and Part III, Rule 9 of its Implementing Rules and Regulations (IRR)²;
- 7.5. Reduce signatories and documentary requirements in accordance with the applicable provisions of RA 11032³ and its IRR⁴;
- 7.6. Review and rationalize fees and charges in accordance with Administrative Order No. 31, s. 2012, DOF-DBM-NEDA Joint Circular No. 1-2013 dated 30 January 2013, and other related laws and issuances; and
- 7.7. Implement automation, digitalization and integration of the processes into the EVOSS System.

The EVOSS Secretariat shall endorse the eligible permits, processes and requirements to the ESC, which is chaired by the President, for approval and integration into the EVOSS System.

The EVOSS Secretariat, upon approval of the ESC, shall remove any agency or permit in the permitting process for OSW Development Activities for reasons of redundancy, or lack of legal basis, or that the permit is not within the mandate of the PA or concerned government agency.

Section 8. Resource Person for the ESC. All PAs involved in the permitting of OSW Development Activities that are not members of the ESC shall participate as resource persons in the ESC, subject to the following:

² DOE Department Circular No. DC2019-05-0007, "Rules and Regulations Implementing Republic Act No. 11234 (Energy Virtual One-Stop Shop Act)", 28 May 2019.

³ RA 11032, "An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services, Amending for the Purpose Republic Act No. 9485, Otherwise known as the Anti-Red Tape Act of 2007, and for Other Purposes", 28 May 2018.

⁴ Joint Memorandum Circular No. 2019-001, s. 2019, "The Implementing Rules and Regulations of Republic Act No. 11032 Otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2028".

- 8.1. The PA shall nominate its resource person who must be knowledgeable in the PA's role, requirements, fees, internal processes and is directly involved in the permitting of an OSW Project. The PA shall submit the nomination to the EVOSS Secretariat upon submission of complete list of appropriate permits.
- 8.2. The PA's resource person shall undertake the following activities:
 - a. Attend, participate and act as resource person in any meetings upon request of DOE and/or ESC;
 - b. Submit revisions, clarifications and recommendations related to permits, processes, requirements, and fees for OSW Development Activities to DOE and/or ESC; and
 - c. Disseminate all relevant information to the Head of the PA and its relevant offices, services, and bureaus.

Section 9. Integration into the EVOSS System.

- 9.1. To have a unified and harmonized online platform for permitting of OSW Projects, all PAs with existing online portals shall endeavor to integrate these portals into the EVOSS System within one (1) year upon the effectivity of this Circular.
- 9.2. PAs with no existing online platform and not yet included in the EVOSS System shall coordinate with the EVOSS Secretariat for the integration of its processes and requirements within six (6) months upon the effectivity of this Circular.
- 9.3. To ensure unhampered development of OSW resources, the processing of permits for OSW Development shall be on "status quo" during the period of integration, or the EVOSS Secretariat may design and issue an alternative arrangement in the processing of permits during the period of integration of permitting processes into the EVOSS System.
- 9.4. Upon successful integration into the EVOSS System, all OSW Applicants and Developers shall lodge their applications, requests and payment of applicable fees pertaining to the OSW Development into the EVOSS System. In the same manner, all PAs shall process all applications and requests, and issue the corresponding permits within the prescribed timeline within the EVOSS System only in compliance with RA 11234 and its IRR, EO 21 and its IG, and this Circular.

Section 10. The Philippine Offshore Wind Databank or POWD. To further streamline the process and optimize the use of the EVOSS System, the EVOSS Secretariat and PAs shall endeavor to establish the POWD in the Virtual Storage Public Data Center (VSPDC) of the EVOSS System which will serve as data repository of all documents submitted and information on OSW Projects.

Section 11. Monitoring and Evaluation System. Within one (1) year from the effectivity of this Circular, the DOE, in coordination with all PAs, shall develop and implement a Monitoring and Evaluation System which will serve as basis for periodic review and updating of permits, processes, requirements and fees in accordance with Section 6 of EO 21-IG.

Section 12. Guidelines in the Award of Offshore Wind Energy Service Contract (OSWESC). The DOE, in consultation with relevant government agencies, OSW Developers and other concerned stakeholders, shall issue guidelines in the award and administration of OSWESC and registration of OSW Developers. The guidelines will also provide improved terms and conditions, rights and obligations and templates for OSWESC.

Section 13. Transmission. To ensure the timely development of the needed transmission facilities for the integration of OSW Projects in the Grid, the DOE shall coordinate with the National Transmission Corporation (TransCo), NSP and OSW Developers, or take such other steps as may be needed to ensure the transmission connection of OSW Projects. The NSP for the transmission facilities shall, within one hundred eighty (180) days from the effectivity of this OPAF, prepare the smart and green grid plan, which shall be implemented by the NSP. The Energy Regulatory Commission (ERC) shall support the capital expenditure requirements for the connection of OSW Projects in accordance with applicable rules and regulations.

The ERC, within the period prescribed under EO 21-IG, shall issue the corresponding rules and regulations, and update existing rules for the proper implementation of this Section. The rules and regulations and attendant processes shall be integrated into the EVOSS System, in compliance with the EVOSS Act.

The DOE shall coordinate with the DENR and TransCo for the formulation and issuance of foreshore lease regulation for transmission system of OSW Projects and wind turbines and its components (e.g., foundations, monopoles and transmission), which shall be issued within ninety (90) days from the effectivity of this Circular.

Section 14. Ports and Harbors. To ensure timely development and upgrades of the needed ports and harbors that will support the manufacturing, assembly, storage and operation of OSW Projects, the DOE shall coordinate with the Department of Transportation (DOTr), Philippine Ports Authority (PPA), Board of Investments, Department of Trade and Industry and OSW Developers. The PPA, in consultation with the DOE and OSW Developers, shall prepare a long-term Port Development Plan for the needed ports and harbor infrastructures for OSW Projects.

Section 15. Safety and Security of the OSW Projects. The DOE shall coordinate with the DOTr, Department of National Defense and Department of Interior and Local Government for their intensified presence in the OSW Project areas to ensure the safety and security of OSW Projects.

The DOE and OSW Developers shall establish and maintain close coordination with the abovementioned authorities in the course of implementing the OSW Development Activities.

Section 16. Marine Spatial Planning. The DOE, in collaboration with the National Mapping and Resource Information Authority (NAMRIA), the DENR and the Department of Agriculture, shall develop a comprehensive and well-coordinated Marine Spatial Planning (MSP) for OSW Development to: (a) identify high development areas for OSW Projects; (b) reduce uncertainties and shorten development timeline of OSW by mapping/providing the needed spatial data in project planning and development; (c) identify and resolve possible overlaps of protected areas and other no-build-up zones with WESC for OSW Projects awarded prior to the issuance of the MSP; and (d) engage and upskill relevant government agencies and other stakeholders. All PAs and other concerned entities shall contribute to the development and regular updating of the MSP.

Should parts of contract areas of WESC awarded prior to the issuance of the MSP be found to be within the no-build-up zones, the OSW Developer shall submit a revised map of its Contract Area carving out the affected portion. The Contract Area may be reconfigured to compensate for the affected portion, provided that the adjacent area is: (i) free for OSW development; (ii) outside the non-build up zone; and, (iii) the area of the revised Contract Area is not more than the size of the original area.


Section 17. Prohibited Acts and Penalties. Applicable administrative offenses, confidentiality, penalties, administrative jurisdiction, and civil and criminal liability prescribed under Chapter III Sections 17, 18, 19, 20 and 21 of RA 11234 shall be adopted in the implementation of this Circular.

Section 18. Repealing Clause. Nothing in this Circular shall be construed as to amend, supersede or repeal any of the mechanisms or institutions already existing, or responsibilities already allocated and provided for under any existing laws, rules or contracts.

Section 19. Separability Clause. If any section or provision of this Circular is declared unconstitutional or invalid, the remaining provisions or parts thereof shall remain in full force and effect.

Section 20. Effectivity. This Circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation. A copy of this Circular shall be filed with the University of the Philippines Law Center – Office of National Administrative Register.

Issued this ___ day of June 2023 at the DOE, Energy Center, Rizal Drive cor. 34th Street, Bonifacio Global City, Taguig City, Metro Manila.


RAPHAEL P.M. LOTILLA
Secretary

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