RENEWABLE ENERGY:

Exploring Investment Opportunities in the Philippines

PHILIPPINE BOARD OF INVESTMENTS

PHILIPPINES
BOARD OF INVESTMENTS

The government agency that shapes the investment landscape of the country, champions industry promotion, and steers whole-of-nation approach to realize investments that fuels sustained economic growth.

Accelerate investments, develop globally-competitive, innovative, and sustainability-driven industries, and create employment opportunities by 2028

BOI SERVICES FOR INVESTORS

Due diligence assistance

- Information support
- Visit program development & investment briefing
- Business matching

Business registration facilitation

- Networking with IPUs and other government agencies on pre-operational business requirements
- Fast tracking with registration procedures
- Assistance with local government requirements

Aftercare service

- Presence of government network to quickly respond to concerns
- Regular supervision & monitoring





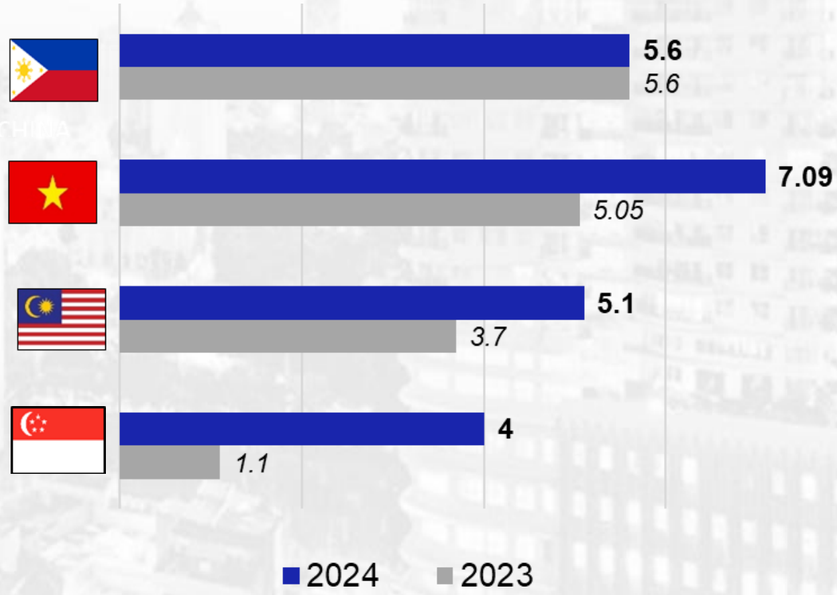
PH economy maintained steady 2024 GDP Growth- the 2nd fastest in ASEAN

Philippine GDP Year-on-Year Growth Rates
(Q1 2021 – Q4 2024)



PHL on track to become a USD1 trillion economy by 2033 - S&P Global

GDP Growth Rate of other ASEAN Countries, 2023-2024



Source: National Statistics Offices and Central Banks

THE PHILIPPINES MAKE IT HAPPEN

POSITIONING STRATEGY: PRIORITY SECTORS

THE PHILIPPINES MAKE IT HAPPEN

- ELECTRIC VEHICLES
- SMART MANUFACTURING (e.g., PHARMA, STEEL, SHIP BLDG.)
- SEMICONDUCTORS & ELECTRONICS
- GREEN METALS
- FOOD & AGRICULTURE
- TOURISM
- IT-BPM & CREATIVE INDUSTRY
- RENEWABLE ENERGY including ENERGY STORAGE SYSTEM
- DATA CENTERS/TELCO INFRASTRUCTURE including CYBERSECURITY

STRATEGIC LOCATION | HUMAN RESOURCES | NATURAL RESOURCES

OUR GOAL

Not just growth as we are already the fastest growing countries in one of the fastest growing regions

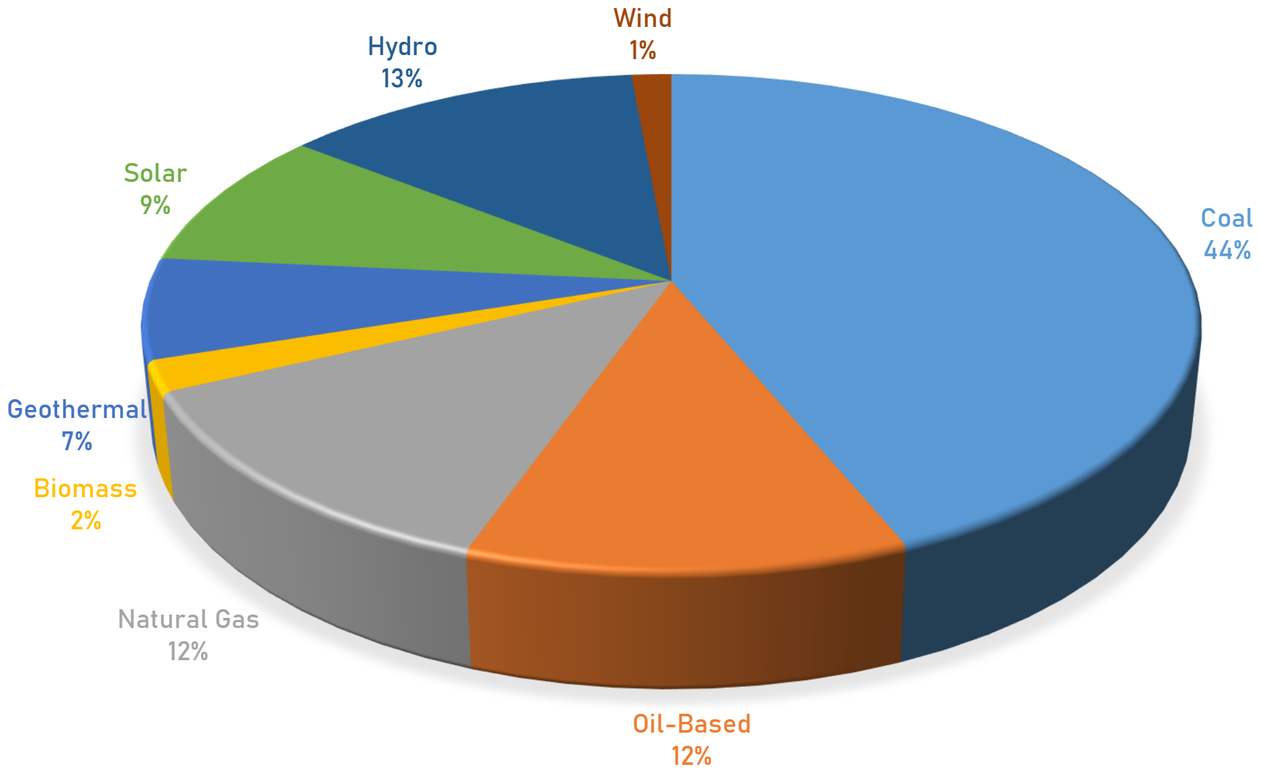
Transform the economy in order to enter a virtuous cycle of sustained economic growth

To transform the Philippines to be South East Asia's hub for smart and sustainable manufacturing & services by empowering the Private Sector thru market-based tools.

PHILIPPINE ENERGY LANDSCAPE

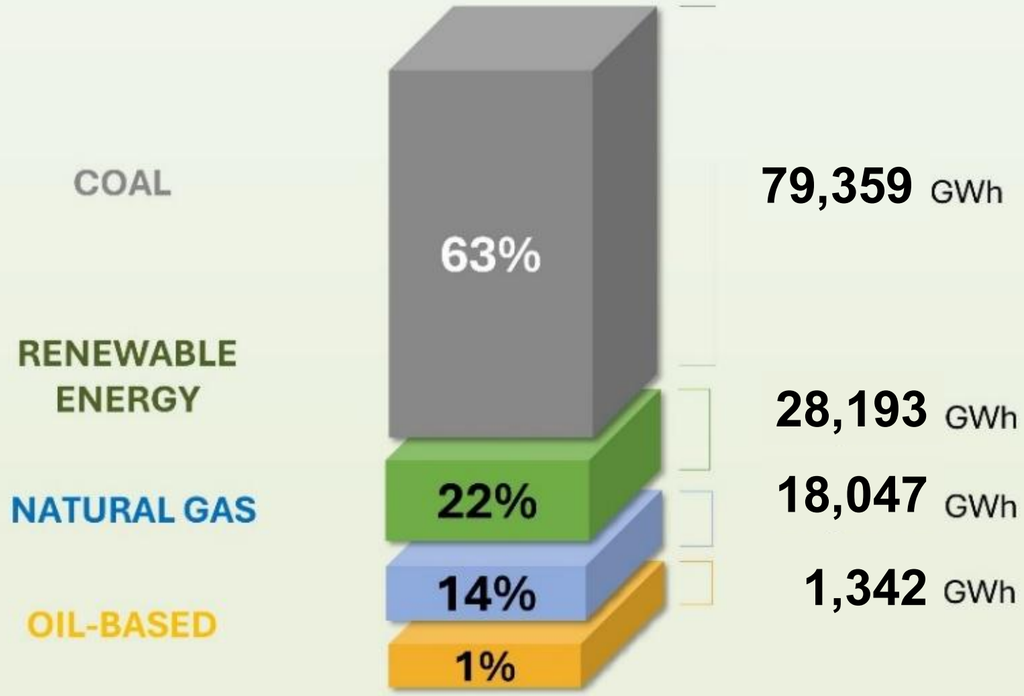
INSTALLED CAPACITY

29.7 GW



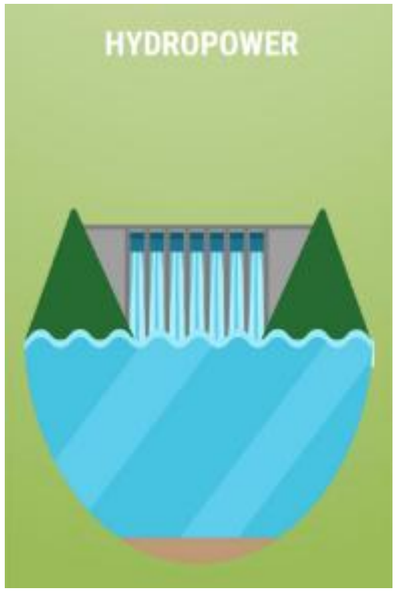
POWER GENERATION

126,941 GWh



Source: DOE

RENEWABLE ENERGY ADVANTAGE

Bi	G	S	H	O	W
					
279 MW	1,309 MW	58,110 MW	18,825 MW	170,000 MW	272,000 MW

Source: DOE, NREL, & WorldBank

ENERGY TRANSITION PLAN

REFERENCE

- 35% RE share in power generation mix by 2030
- 50% RE share by 2040-2050

CLEAN ENERGY 1

High RE with low OSW + Nuclear + Coal Repurposing

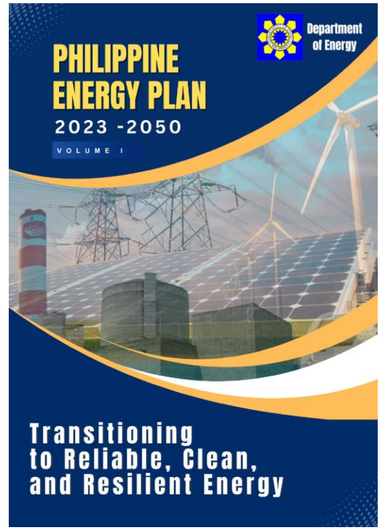
- 35% RE share by 2030, 50% RE share by 2040, more than 50% RE share by 2050
- Offshore wind capacity of 19 GW
- Coal repurposing
- Nuclear capacity of 1,200 MW by 2032, 2,400 MW by 2035 and 4,800 MW by 2050

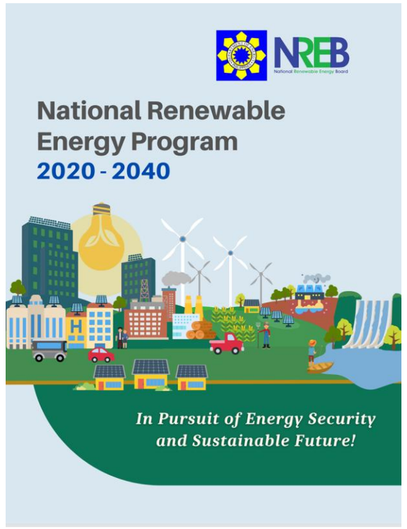
CLEAN ENERGY 2

High RE with high OSW + Nuclear + Coal Repurposing

- 35% RE share by 2030, 50% RE share by 2040, more than 50% RE share by 2050
- Offshore wind capacity of 50 GW
- Coal repurposing
- Nuclear capacity of 1,200 MW by 2032, 2,400 MW by 2035 and 4,800 MW by 2050

Source: DOE

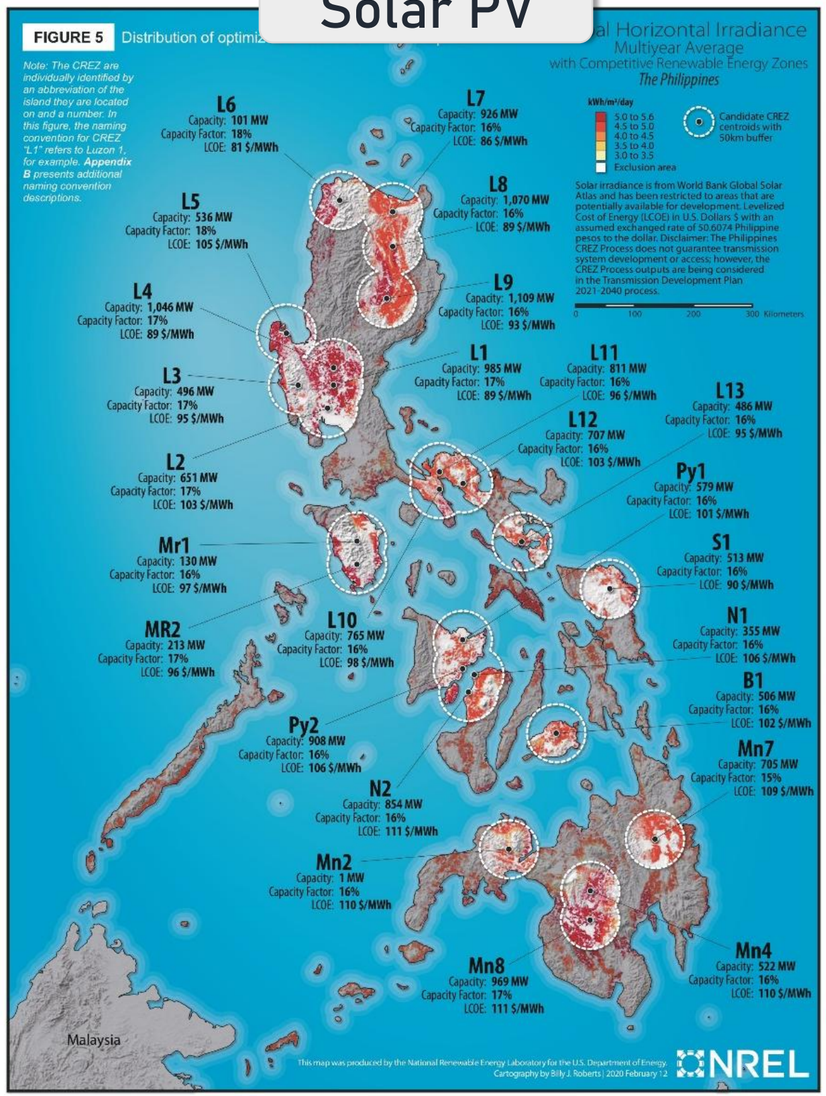




NREP 2020-2040 sets a target of at least **35% RE share** in the power generation mix by 2030 and aspires to increase it to at least **50% by 2040.**

COMPETITIVE RENEWABLE ENERGY ZONES (CREZ)

Solar PV



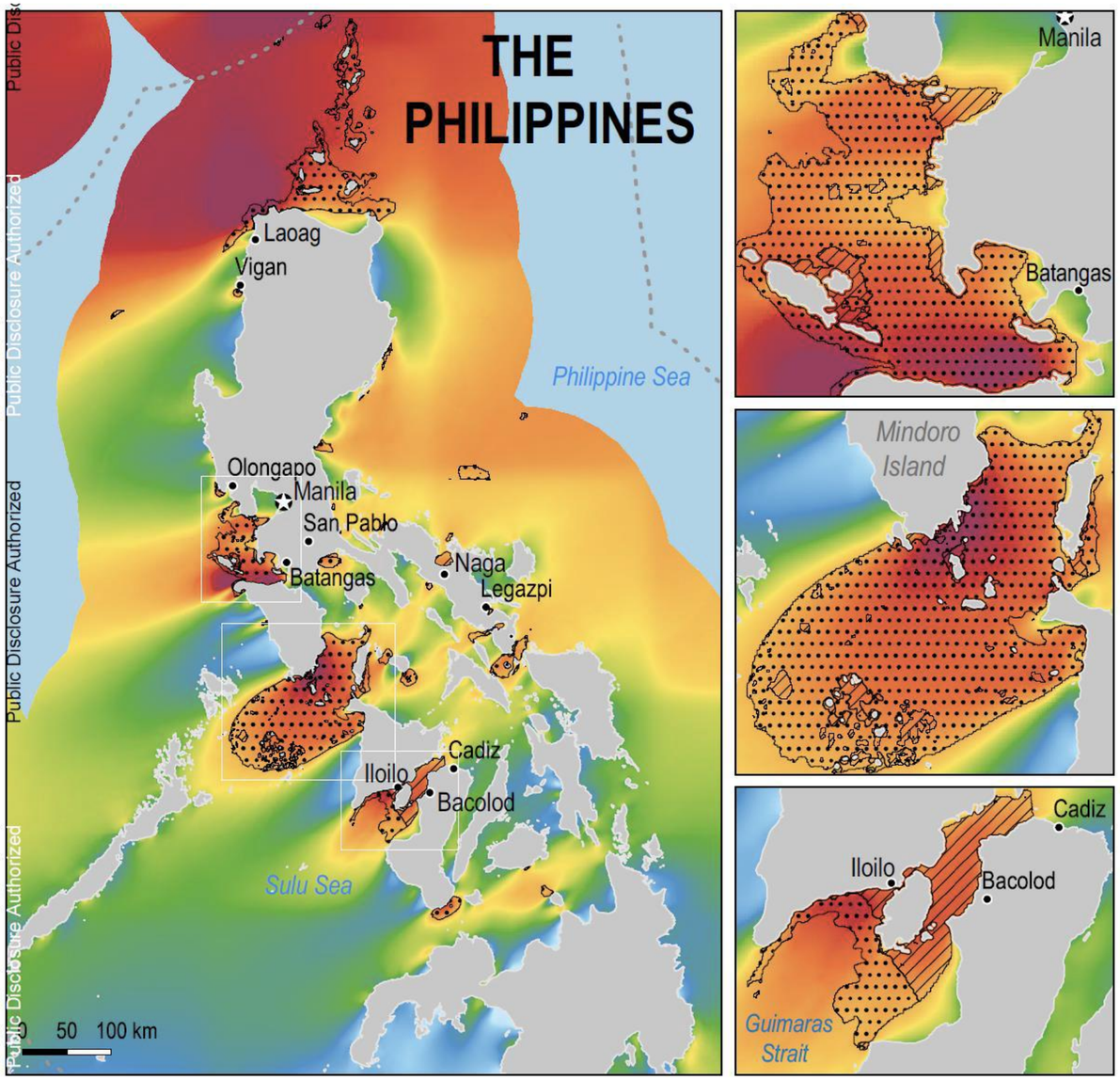
Wind



- Identified 25 strategic areas with high concentration of solar and wind resources throughout the country
- 58 GW solar PV and 94 GW wind potential capacities

Source: DOE & NREL

OFFSHORE WIND POTENTIAL



Source: DOE

- 178 GW of OSW Potential (18 GW Fixed and 160 GW Floating)
- Six (6) potential OSW development zones identified:

Potential Development Zone	Type	Practical Capacity
A: Northwest Luzon	Floating	2 to 5 GW
B: Manila area	Fixed and floating	0 to 3 GW
C: Northern Mindoro	Floating	3 to 10 GW
D: Southern Mindoro	Floating	20 to 36 GW
E: Guimaras Strait	Fixed	0 to 1 GW
F: Negros / Panay area	Floating	2 to 3 GW

KEY POLICIES SUPPORTING FOREIGN INVESTMENT





100% Foreign Ownership

- The amended RE Act now allows 100% foreign ownership of RE projects, encouraging international investments.

Renewable Portfolio Standards (RPS)

- This mandates energy companies to source a certain percentage of their power from renewable sources, with an annual incremental requirement of 2.52% for grid-connected areas

Green Energy Auction Program (GEAP)

- It creates a system for companies to bid on providing new renewable energy, ensuring a reliable supply through competitive process

KEY POLICIES SUPPORTING FOREIGN INVESTMENT





Preferential Dispatch of Renewable Energy

- Prioritizing RE plants for grid access ensures they operate at full capacity, encouraging investments and securing the recovery of capital

Energy Virtual One-Stop Shop (EVOSS)

- EVOSS is a web-based system that streamlines the permitting process for energy projects, making it easier to apply, monitor, and access permits for RE development.

Green Lane

- It supports the government's effort to attract quality investments by reducing bureaucratic delays and offering stronger investor support

ENERGY PROJECTS OF NATIONAL SIGNIFICANCE

EPNS are major projects that have been identified as essential to the country's energy security and economic development.

149
CEPNS
(May-Dec 2024)

19 GW
CAPACITY

91
RE PROJECTS

17.6 GW
CAPACITY

Energy projects ≥ **Php 3.5 billion**

- Power generation
- Transmission
- Distribution
- Ancillary services

Source: DOE



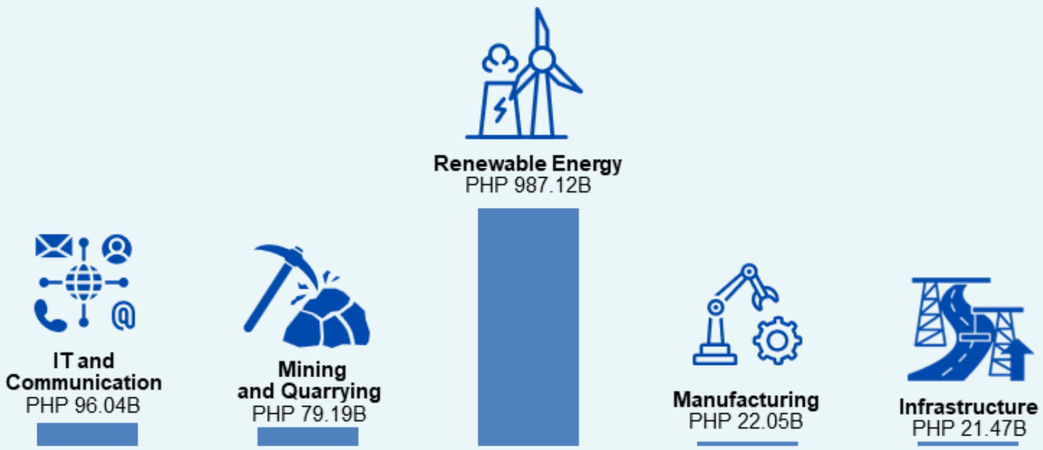
INVESTMENT GROWTH CONTINUES

2023 Total Investments

PHP 1.26T

73% increase from 2022

TOP INDUSTRIES



TOP COUNTRY SOURCES

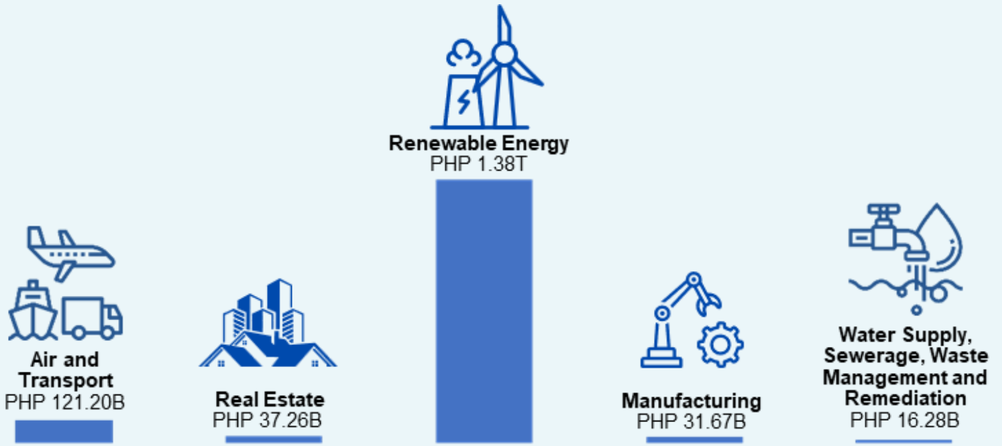


2024 Total Investments

PHP 1.62T

28% increase from 2023

TOP INDUSTRIES



TOP COUNTRY SOURCES



PROVEN RESULTS FROM RECENT INVESTMENTS

BOI-REGISTERED RE PROJECTS (2024)

Technology	No. of Projects	Capacity (MW)	Projected Employment
Geothermal	2	58	210
Hydropower	6	1,428	428
Wind	12	3,034	928
Solar	134	7,916	8,279
TOTAL	154	12,435	9,845

In terms of geographical distribution, most projects are located in CALABARZON (27%), NCR (26%) and Central Luzon (15%).

Source: BOI-LCS

FUTURE OPPORTUNITIES IN RENEWABLE ENERGY



Expanding micro-grid solutions for rural areas.



Advancements in battery storage for improved reliability.



Development of ports for offshore wind energy projects.

RE LAW INCENTIVES

Income Tax Holiday (ITH) of 7 years

Tax credit on domestic capital equipment and services

Duty free importation of RE machinery, equipment, and materials

VAT-zero rate on the sale of fuel or power generated



Tax exemption of carbon credits

Accelerated Depreciation

Corporate Tax of 10% after ITH

Cash incentive for missionary electrification

Net Operating Loss Carry-Over (NOLCO)

CREATE MORE INCENTIVES

- RBE has the option to have Income Tax Holiday (ITH)+ED or go straight to Enhanced Deductions (ED) from start of commercial operations;
- CIT Rate from 25% to 20% for RBEs under Enhanced Deduction Regime (EDR)
- Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories

ENHANCED DEDUCTIONS

Depreciation Allowance-additional deduction (10% Building, 20% Machinery & Equipment)	Enhanced Net Operation Loss Carry Over (NOLCO)
50% Additional Labor Expense	100% Additional Deduction on Power Expense
100% Additional Research and Development (limited to local expenditures)	50% Deduction for Reinvestment Allowance to Tourism and Manufacturing Industry (31 December 2034)
100% Additional Training Expense (trainings conducted to Filipinos)	Allowable deduction for Cost of Setting Up an Electronic Sales Reporting System (Micro and Small Tax Payers: 100%; Medium and Large Tax Payers: 50%)
50% Additional Deduction on Domestic Input Expense	50% Additional Deduction on Expenses for Trade Fairs, Exhibitions, Missions

PERIOD OF AVAILMENT: LOCATION AND INDUSTRY TIER

LOCATION	<15B Investments (IPA Level)			>15 Investments (FIRB Level)		
	TIER I	TIER II	TIER III	TIER I	TIER II	TIER III
NATIONAL CAPITAL REGION (NCR)	14 (4 ITH and 10 ED or 14 EDR	15 (5 ITH and 10 ED or 15 EDR	16 (6 ITH and 10 ED or 16 EDR)	24 (4 ITH and 20 ED or 24 ED)	25 (5 ITH and 20 ED or 25 ED)	26 (6 ITH and 20 ED Or 26 ED)
METROPOLITAN AREAS AND AREAS OUTSIDE OF AND CONTIGUOUS OR ADJACENT TO NCR*	15 (5 ITH and 10 ED or 15 EDR	16 (6 ITH and 10 ED or 16 EDR	17 (7 ITH and 10 ED or 17 EDR	25 (5 ITH and 20 ED or 25 ED)	26 (6 ITH and 20 ED Or 26 ED)	27 (7 ITH and 20 ED Or 27 ED)
ALL OTHER AREAS	16 (6 ITH and 10 ED or 16 EDR	17 (7 ITH and 10 ED or 17 EDR	17 (7 ITH and 10 ED or 17 EDR	26 (6 ITH and 20 ED or 26 ED)	27 (7 ITH and 20 ED Or 27 ED)	27 (7 ITH and 20 ED Or 27 ED)

**CONSIDERED CONTIGUOUS OR ADJACENT TO NCR:*
Bulacan (Meycauayan City, San Jose del Monte City); Cavite (Bacoor, Dasmarinas, Imus); Laguna (Biñan, Cabuyao, Calamba, San Pedro, Santa Rosa), Rizal (Antipolo, Cainta, Taytay)



HIGHLY DESIRABLE PROJECTS

Grant of Incentives (up to 40 years) by the President

For highly desirable projects, the President may grant:

a. Fiscal incentives: up to 10 years ITH; and

b. Non-fiscal support package: utilization of government resources such as use of land and budgetary support provision under the annual General Appropriations Act.

The following conditions must be satisfied:

a. Project has a comprehensive sustainable development plan with clear inclusive business approaches, and high level of sophistication and innovation; and

b. Minimum investment capital of P50 billion or its equivalent in US dollars, or a minimum direct local employment generation of at least 10,000 within 3 years from the issuance of the certificate of entitlement.

BOI APPLICATION PROCESS

1

Submit completely filled up and notarized Application Form with required attachments

- If complete – For official Acceptance
- If incomplete – application will be returned

2

Official Acceptance, pay filing fee, and Publish “Notice” in a newspaper of general circulation.

3

Evaluation

(Action within 20 working days)

4

Board Approval

*If project cost is more than P15 Billion

FIRB technical committee and/or FIRB Approval (+1 or 2 steps)

5

Submit pre-registration requirements

(Client to submit pre-registration requirements within 60 calendar days)

6

Pay Registration fees

(Preparation of certificate of registration is one (1) week

7

Receive Certificate of Registration

Thank you!

SPEAK TO OUR TEAM AT
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