Philippines

EIC Country Report

May • 2023

Executive summary

Philippines oil and gas activities are expected to ramp up in the coming years as the country needs to cater to the domestic demand. With key factors such as strong economy, population growth, and fuel economy, the Department of Energy (DOE) Philippines has taken necessary steps to support the nation's oil and gas sectors. Up to seven LNG terminal projects have been approved so far and three of the LNG terminal projects located in Batangas and Pagbilao are targeted to commence operations in 2023. Developers of these projects include AG&P, Energy World Corporation and First Gen Corporation. The DOE has released the Upstream Oil and Gas Roadmap (2017-2040) with the aim to increase reserves of oil from 48.73MMbbls to 57.12MMbbls, gas from 4.67Tcf to 5.85Tcf and condensate from 47.24MMbbls to 56.81MMbbls.

Despite the declining production from the Malampaya gas field, gas-fired generation capacity is still progressing positively, and Philippines is expected to add 4GW of gas-fired power generation capacity by 2030 with seven projects currently being track in EICDataStream. The DOE has made

efforts in securing gas supply for the upcoming gas-fired power projects with the approval of seven LNG terminal projects.

Philippines's journey to clean energy has also taken a major step as the DOE fully opened its renewable energy sector to foreign ownership, representing a significant shift to the country's energy policies. In addition to that, the DOE has released the National Renewable Energy Plan (NREP) 2020-2040 with the aim of achieving 35% of renewables by 2030 and 50% by 2040. Among the sectors targeted to experience growth in Philippines's renewables include onshore wind, solar, geothermal and hydropower.

Offshore wind is an emerging sector in the Philippines. The nation has a huge potential of offshore wind resources and under the Philippines Offshore Wind Roadmap, the country is said to have a potential of installing 21GW of offshore wind capacity by 2040 under the high growth scenario. President Ferdinand R. Marcos Jr has also ensured the offshore wind sector to grow with the issue of Executive Order No.21 directing the DOE to put in place the policy and framework for the offshore wind development. A total of 63 offshore wind services contracts have been approved by the DOE as of April 2023 and announcement of projects can be seen in the last 12 months. Among the major projects is the 2GW Northern Luzon Offshore Wind which is being developed by Petrogreen Resources Corporation.

Key points

- Philippines's upstream sector is expected to experience growth as the Department of Energy (DOE) aims for higher upstream production by 2040.
- Significant progress has been made on LNG developments with 7 LNG terminals approved and three projects targeted to commence operations in 2023.
- Gas-fired power generation capacity is expected to pick up as more LNG terminals being built.
- The DOE's decision on opening the renewable energy sector to foreign ownership will boost deployment of renewables in the Philippines.
- Despite having only 7 operating onshore wind projects, wind energy capacity is expected to grow in the coming years with 13 proposed projects currently being tracked in EICDataStream.
- Philippines has significant offshore wind potential with the possibility of having 21GW in operation by 2040 under the high growth scenario. Establishing local supply chain will be key in achieving the target.