

DENR freeze order to impact renewable energy projects

By Jonathan L. Mayuga

THE Department of Environment and Natural Resources (DENR) has suspended the acceptance, processing and approval of environmental compliance certificate (ECC) for offshore wind energy and floating solar energy projects pending the approval of a new guideline for these renewable energy (RE) projects.

The “freeze order” signed by DENR Secretary Maria Antonia Yulo-Loyzaga has been in effect for four months now.

“It has been reported that the EMB Regional Offices have already been accepting, processing and approving applications for ECC guidelines indicating a well thought, evidence and science-based criteria, parameters and requirements to appropriately assess the impacts of these projects on the coastal and marine environment,” read the order dated January 6, 2023, and addressed to the Director of the Environmental Management Bureau (EMB) and all EMB Regional Directors.

In her order, Yulo-Loyzaga said the DENR has an ongoing discussion with the Asian Development Bank (ADB) for possible technical assistance to help in the crafting of these guidelines “to make sure that all possible impacts can be looked into and adequately considered in the event that these types of projects are pursued.

Lastly, the offices of the Undersecretary for Policy, Planning and International Affairs, Undersecretary for Finance, Information Systems and Climate Change and Director of the EMB are directed to closely coordinate with the ADB on the requirements of the technical assistance and commence the discussion on the crafting of the guidelines.

Yulo-Loyzaga’s order runs contrary to the provision of Section 13 of Republic Act 11234 (Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission and Distribution Projects). The section provides a time frame for actions by government agencies on applications for RE projects.

The DENR, its attached bureaus (except for the National Water Resources Board or NWRB), offices and agencies at national and local levels and GOCCs, the time frame is 120 calendar days.

DENR Undersecretary for Policy, Planning and International Affairs Jonas R. Leones confirmed to BusinessMirror the order would potentially affect billions-worth of RE projects investments.

Offshore wind energy, he said, is an environmentally-critical project because of the threat to coastal and marine biodiversity in installing such a facility.

In the same breath, floating solar energy has a potential adverse environmental impact on water bodies, because it makes use of huge solar panels that will cover the surface of the water, preventing sunlight from doing its thing to ensure a healthy underwater environment.

He said the DENR is in close coordination with the Department of Energy (DOE) and that Yulo-Loyzaga has been reporting to Malacañang to give the President updates on crafting the said guidelines.

“We don’t have a guideline yet for these RE projects. We need a guideline first,” says Leones. “We have already formulated the interim guidelines. It is now with the DOE.”

In February last year, the Laguna Lake Development Authority issued a memorandum circular outlining the implementing rules and regulations of the “Laguna de Bay RE Resources Utilization of 2022.” The MC said an initial pre-determined area of not more than 2,000 hectares in the country’s largest inland freshwater body is allocated for RE utilization projects.

A signatory to the Paris Agreement, in 2021, the Philippines committed to reducing 75 percent of its emissions by 2030 and scaling up efforts to adapt to a changing climate, setting itself a very ambitious target for a developing nation with one of the lowest carbon emissions in the world.

Environmentalists have been pressing the government to promote the development of RE in the Philippines and phase out coal in the face of the climate crisis. While its greenhouse gas emission is relatively nil, the Philippines is one of the most climate-vulnerable nations in the world. It receives an average of 20 typhoons a year. The archipelago is also prone to landslides and flash floods. Manila is also still struggling to make communities resilient to natural calamities.

The delay in the acceptance, processing and approval of ECCs for RE projects somehow derails targets of private sector investors as well as the Marcos administration’s own thrusts to promote RE.

President Ferdinand R. Marcos Jr. has been pushing for the development of RE to increase its share in the current energy mix, which is currently dominated by coal.

Under his watch, Executive Order 21 dated April 19, 2023, established the policy and administrative framework for offshore wind development and cited that the Philippine Energy Plan for 2020-2040 targets to increase the RE contribution in the power generation mix from the current share of 22 percent, to 35 RE share by 2030 and 50 percent share by 2040.