

MARKET SPOTLIGHT: PHILIPPINES



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Market Spotlight: Philippines

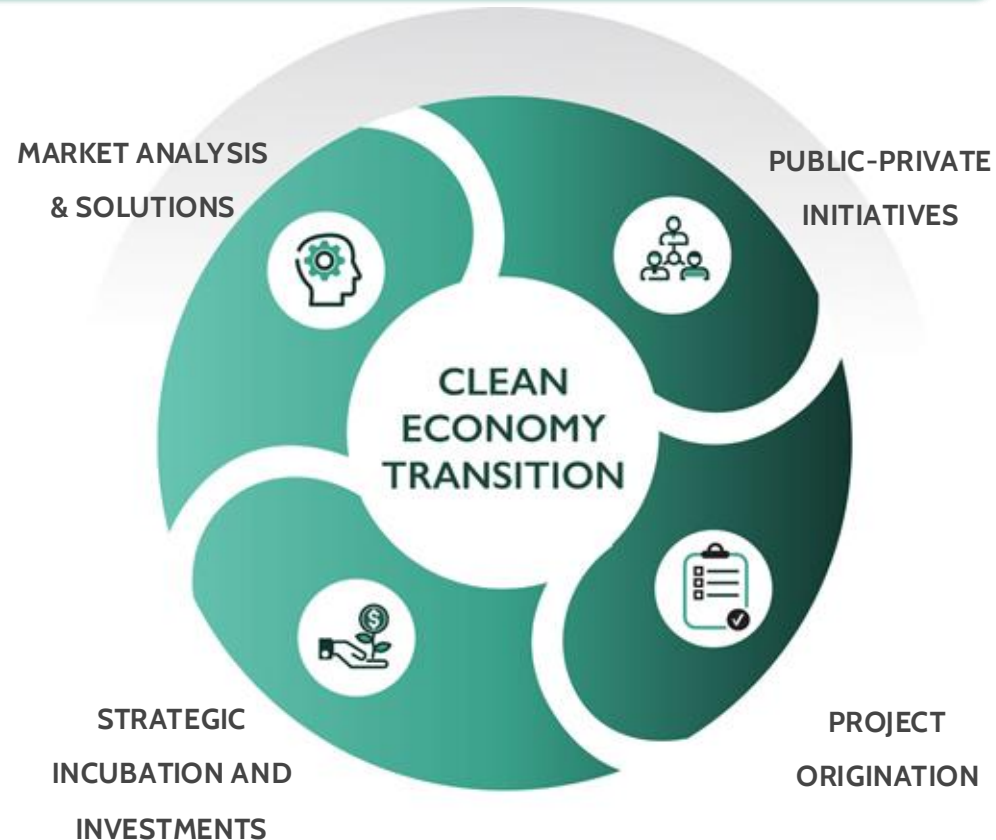
REM Asia 2026

22 April 2026



Introduction to Allotrope Partners

- Clean energy and decarbonization advisory firm specializing in emerging markets and technologies
- Team of experts with decades of experience in clean energy market analysis, project origination, project development, finance, and investment mobilization
- Founded in 2013 - Staff in the U.S., Vietnam, the Philippines, Singapore, and other markets
- Clients include major C&I companies, multilateral institutions, and philanthropic partners
- Strategic focus on engaging businesses and local stakeholders to unlock innovative decarbonization solutions and drive clean energy transformation in emerging markets



Philippine Energy Market

- Liberalized, privatized power sector with **152 distribution utilities**
 - Includes **121 electric cooperatives** - Non-profit utilities that serve rural and remote communities across the Philippines
- One of the **highest** electricity rates in Asia
- Power sector - 54% of the country's emissions
- Lack of renewable energy (RE) supply to meet growing demand
 - Electricity demand is projected to increase by **6.6%** annually thru **2040**
 - As of 2024, RE comprises ~22% of the Philippines' energy mix
- RE sector fully open to foreign ownership

Policies Supporting Renewable Energy Procurement

- **National target** - 35% RE in the energy mix by 2030
- **Renewable Portfolio Standard** - Utilities are mandated to increase RE use each year (from 1% increase per year in 2020-2022 to 2.52% from 2023 to 2030)
- Power Purchase Agreements via **Retail Electricity and Competitive Access (RCOA)**
- Power Purchase Agreements via **Green Energy Option Program (GEOP)**
- Green Energy Auction Program (**GEAP**)
- **Virtual PPAs** as an emerging mechanism

Gaps and Challenges for Corporates

Gaps in Existing Policy Framework and Application for RE Procurement

- Qualifying threshold for retail market mechanisms may limit participation for smaller energy users.
- Long and stringent application process for new retail market participants.

Facility Ownership Issues

- Current policy frameworks suggest that only building and facility owners are allowed to participate in these procurement options. Lack of clarity on how tenants or businesses that lease their facilities can participate.

Limited RE Supply

- Demand for RE in the Philippines has outpaced supply and there are ongoing efforts to increase the registered RE suppliers that are eligible to provide RE to users under RCOA and GEOP.

Limited Awareness and Capacity Among Corporates and Supply Chain Partners

- Corporates and their supply chain partners require in-depth technical capacity building support to implement and scale decarbonization solutions in the country.

Renewable Portfolio Standards and the Challenges Facing Electric Cooperatives

Barriers identifying project development resources

- Developing and permitting costs are often not included in EC budgets
- Permitting processes can be unfamiliar and time-consuming

Barriers connecting with financing for RE projects

- ECs often lack connections to debt capital providers to support RE projects
- Many ECs do not have the resources to make direct equity investments

Perceived project risks and concerns about non-core business

- ECs typically focus on distribution infrastructure
- ECs often have limited experience managing RE generation projects and need support to move forward on new RE projects.

Local Utility Project Accelerator (LUPA)



LUPA is a blended finance initiative that supports electric cooperatives (ECs) in the Philippines to develop, implement, and commercialize renewable energy (RE) projects.



Progress to Date

- 2020-2021: Feasibility study to assess gaps ECs face.
- 2022-2024: Proof of concept to implement initial EC RE projects.
- Today: Growing pipeline of 15+ partner ECs and 100+ MW of potential RE projects.

Allotrope Partners designed and incubated LUPA from 2020 to present.

LUPA equips ECs with the development and financing resources they need to achieve their RE transition targets.



Building Connections

LUPA fills a gap in the market by bringing together:

- Partner ECs
- Local banks/capital providers
- RE developers/investors
- Legal, regulatory, and other resource partners



Unlocking Benefits

LUPA supports ECs to:

- Secure overall cost savings
- Meet and exceed RPS targets
- Reduce perceived risks and transaction costs
- Expand access to clean, reliable, affordable energy for the local communities they serve



Greening the Banks (GTB) Initiative

Our Key Stakeholders



BANKS: Supporting local financial institutions to increase internal capacity and build a project pipeline



REGULATORS: Helping government integrate sustainable finance frameworks, adopt enabling policies, and connect with private sector inputs



DEVELOPERS: Engaging smaller developers to address gaps, sharpen project readiness, and gain access to financing



CIVIL SOCIETY: Mobilizing CSOs to address barriers banks are facing and amplify best practices

Our Unique Approach

The Greening the Banks initiative, led by Allotrope Partners, brings together local financial sector stakeholders in the Philippines and Vietnam and supports regional lesson sharing across Southeast Asia.

Ensures high-level global and regional principles are taken up and implemented

Turns commitments into local, in-country action

On-the-ground action contributes to transformative change

GTB brings together initiatives that would otherwise work in silos, coordinates action among partners, and amplifies best practices



Greening the Banks: Results to Date in the Philippines

Organized a series of Greening the Banks capacity building dialogues with the Philippine Central Bank (BSP) to support implementation of the Philippines Sustainable Finance Framework and respond to local banks' needs:

- **Actively engaged more than 750 participants** representing over **200 local banks**, regulators, government partners, project developers, and other local market stakeholders.
- **High-level speakers** from BSP, BDO Unibank, HSBC, UCPB (now Landbank), the National Renewable Energy Board, AIGCC, GABV, CARD MRI, FFC, and other local and regional experts shared critical insights, learnings, and guidance to help financial institutions accelerate green finance and integrate climate-related risk management into their operations.
- **Extremely positive feedback from participants and requests for future Greening the Banks follow-on support to move forward with identified solutions.**

Engaging Rural,
Cooperative, and
Thrift Banks on
Climate Risk
Management

35% RE Blueprint
to 2030: Assessing
Opportunities for
Financing RE
Ambition



Transition Risk
Assessment for
Commercial
Banks

Self-Assessment
and Capacity
Building for BSP
Working Groups



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PHILIPPINE MARKET SPOTLIGHT

RE PROCUREMENT OPTIONS: STATUS AND OUTLOOK



22 April 2026 | RENEWABLE ENERGY MARKETS ASIA
SOFITEL SINGAPORE CITY CENTRE



ABOUT US

Apala by E&C is the sustainability arm of E&C Group, providing high-impact carbon, clean energy and sustainability solutions.

We support corporations, project developers, NGOs and key market stakeholders worldwide – driven by collaboration, innovation, and a commitment to long-term relationships.

E&C Group is a global energy data and services company on a mission to deliver smarter energy for a better world, supporting companies across 108 countries with a team of 156 employees.



OUR SERVICES: *AT A GLANCE*

Corporate & Supply Chain Decarbonization

Comprehensive supply chain carbon reduction strategies that implement data-driven interventions across every tier — delivering measurable impact from raw materials to product end-of-life

Carbon Portfolio Design & Procurement

Strategic carbon sourcing and intermediation services that bridge the demand for high-quality credits with a supply of reputable projects to build high-impact mitigation portfolios

Sustainability Program Design & Management

Custom program development that turns sustainability goals into business value using science-backed frameworks to ensure stakeholder confidence and operational excellence

Carbon Project Development & Investment

End-to-end management of carbon projects from feasibility to verification, prioritizing operational transformation and local impact

Biodiversity & Social Impact Support

Strategic integration of nature-positive practices and equitable social initiatives—such as employment and education—to strengthen stakeholder relationships and mitigate resource risks

Sustainability Risk Management & Compliance

Strategic guidance to navigate complex regional policies and cultural landscapes, ensuring global operations remain resilient and compliant with evolving international standards

OUR SERVICES: **DEEP DIVE**

Corporate & Supply Chain Decarbonization

Audit-ready data:

- Emissions Measurement & Baseline Setting
- Target Setting & Prioritised action plans
- Supplier engagement frameworks alignment

Value Chain Transformation:

- Governance, Reporting & Disclosure mechanisms
- Implementation & Transition Strategy
- Supply Chain Investment & Supplier Financing



Carbon Portfolio Design & Procurement

Project intermediation within impact portfolios:

- Science-Backed Credibility
- Reputable Intermediation:
- Strategic Alignment
- Verified Performance

Custom procurement frameworks:

- Demand & Supply Intermediation:
- Impact Portfolio Design
- End-to-End Mitigation



Sustainability Program Design & Management

Design & management:

- Strategy & Roadmap Management
- Program Management & Execution
- Regional & Local Implementation
- Measurement, KPIs & Impact Tracking
- Executive & Team Support

Sustainability as a Service:

- Strategy Alignment
- Framework Integration
- Continuous Optimization

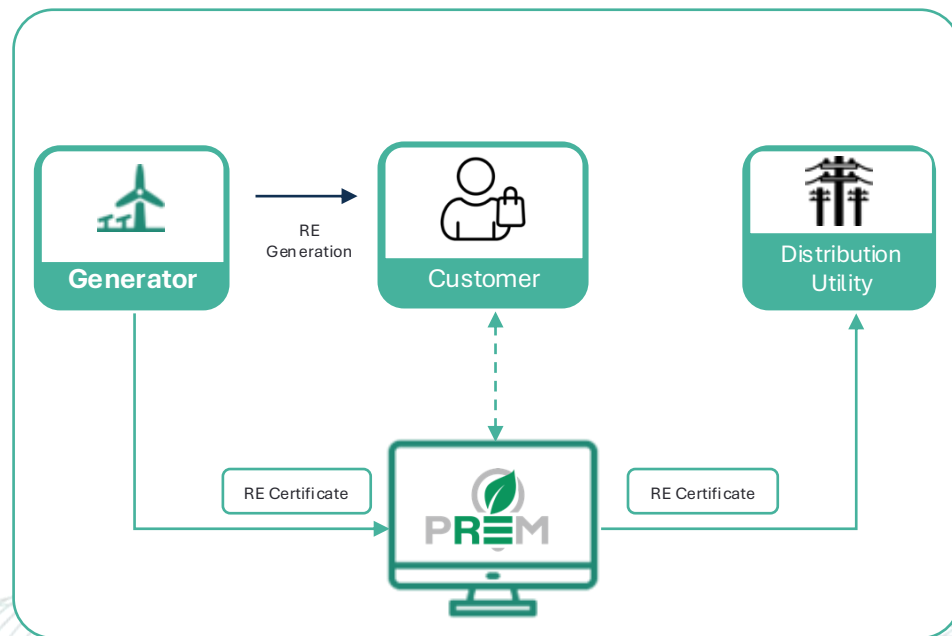
On-site Generation

Under this modality, end-users can produce electricity for their own use under the programs established by the DOE and the regulation of the ERC to ensure compliance with standards and guidelines.

Available Programs

Program	Description	Threshold
Net Metering	Like in other countries, allows end-users to export excess electricity to the grid and receive credit for it against their consumption.	≤ 100 kW
RE Installation under PPA	The end-users only pay the installer the PPA rate for the total kWh under a contract with duration of 10-20 years, with extensive permitting & licensing	> 100 kW
Distributed Energy Resources	Enables asset owners to export excess RE to the DU network and receive revenue from it based on the blended generation rate	-75% of the rate for 100kW to 500kW -60% of the rate for > 500 kW

SOURCE: Relevant Resolutions by the Energy Regulatory Commission and the REM Rules



Developments

- The establishment of the Voluntary REC Market will allow the end-users to eventually have rights to the RE Certificates from the generation of their on-site assets.

Competitive Retail Market

Retail Competition and Open Access Green Energy Option Program



Allows electricity end-users, with a monthly average peak demand set by the Energy Regulatory Commission (ERC), to have a choice of a supplier of electricity under the RCOA and GEOP Programs.

Features and Developments

- Administered by the Independent Electricity Market Operator of the Philippines (IEMOP) as the Central Registration Body (CRB).
- Eligibility thresholds for RCOA and GEOP are 500 kW and 100 kW, respectively.
- Recently rolled out Retail Aggregation Program (RAP) for smaller users to aggregate demand to meet the eligibility threshold.
- The eligibility threshold for RCOA and RAP will be lowered further from 500 kilowatts (kW) to 100 kW average monthly peak demand, effective by 26 June 2026.



**26.25 TWh (23%) of Total
Customer Transaction**



**2381 RCOA Retail
Customers**



**791 GEOP Retail
Customers**



**55 Retail
Suppliers**



**15 Local
Retail Suppliers**



**101 Retail
Aggregated Groups**

The REM is the venue for the trading of RE Certificates equivalent to an amount of power generated from RE resources, intends to facilitate the compliance of Mandated Participants with the Renewable Portfolio Standards (RPS).

Features and Developments

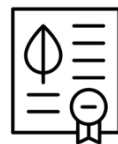
- The REM Rules establishes the requirements and procedures for the operation and governance of the REM. The market processes are implemented in the Philippine RE Market System (PREMS), including the issuance of FiT RECs.
- The PREMS implements the bulletin board for the trading of the RE Certificates wherein prices are capped at the maximum price level set by the ERC.

Program Outlook

- Updates will be incorporated in the PREMS for more efficient transactions and implement new features for the voluntary RE market.



337 Registered Participants



58.93 Million Total RECs Issued



24.13 Million FiT RECs Issued



4.68 M Traded RECs



14.05 M RECs for Retail Customers

SOURCE: IEMOP's Annual Market Outcomes 2025

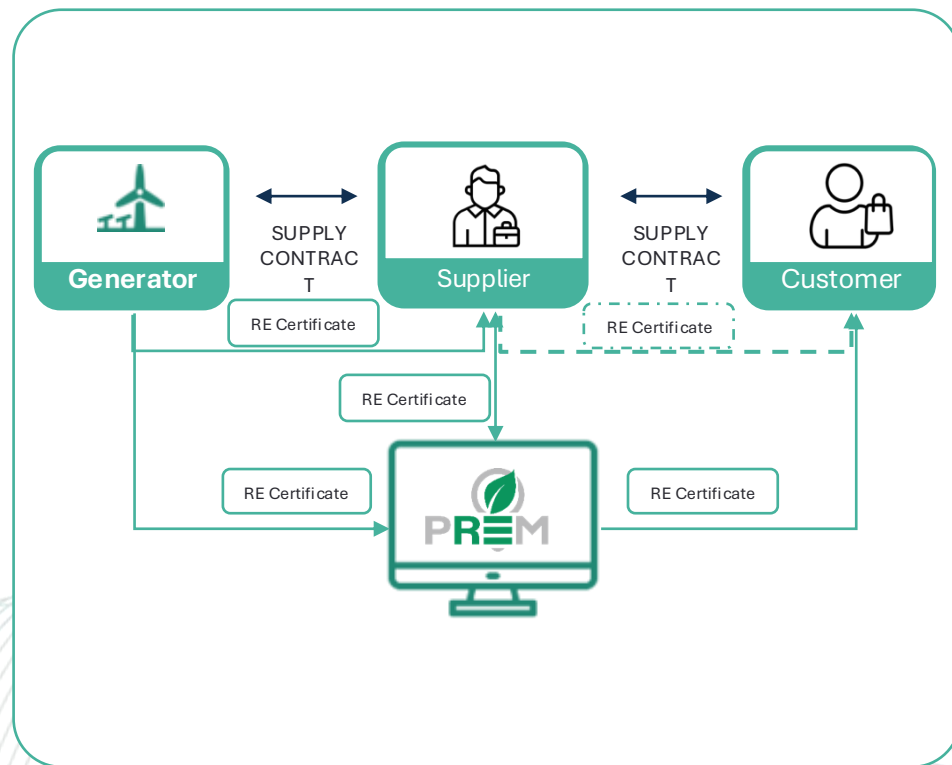
The voluntary REC market will facilitate REC trading among corporations and organizations who have net-zero targets that will ultimately increase the demand for RE generation above the required levels mandated on Distribution Utilities (DUs) and Retail Electricity Suppliers (RES) under the RPS.

Program Features

- The VREM is envisioned to be a parallel market for voluntary participants wherein RPS compliance will be a priority.
- Transactions under the voluntary and compliance REC markets will be both facilitated under the PREMS to avoid double counting and will be eventually connected to other PH and global registries.
- The VREM will allow the registration of non-RPS RE facilities for selling locally.

Program Outlook

- Development and promulgation of the enabling policy, and operations of the domestic VREM in the next 1-2 years.
- Readiness assessment of cross-border integration and alignment to global standards for carbon reporting and compliance.





Limited Market Competition

- Big RES players dominate the market due to generator affiliations
- Less priority for small players/ non-affiliates to access RE capacity



High Retail Rates

- Retail tariffs are still high despite the renewables due to:
- Legacy contracts
 - Market structure limitations



Intermittency and Reliability Problems

- Solar and wind are variable
- Grid lacks sufficient storage/ baseload RE and relies to Fossil backup



Customer Awareness and Capability Gap

- Many businesses still:
 - Don't understand renewable procurement and the switching process
 - Experience Delays in metering installation
- Complex switching requirements limit participation

Further lowering of
retail contestability
threshold to 100 kW
and eventually to the
household level

Design and structure
development for a
domestic voluntary
REC market

Coordinated interface
with relevant markets
and mechanisms such
as carbon markets
and international
tracking systems

Thank you!

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