

POLICY PAPER

RENEWABLE ENERGY FOR WHOM?





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Abstract

The Philippines has vast renewable energy potential, with offshore wind resources alone capable of generating more than six times the country's current annual electricity demand. Yet this policy brief argues that the expansion of renewable energy (RE) is taking place within a privatized and deregulated power sector that prioritizes corporate profits over public welfare. Under the framework established by the Energy Power Industry Reform Act (EPIRA) and reinforced by the Renewable Energy Act of 2008, renewable energy development has become a new frontier for domestic conglomerates and foreign investors rather than a strategy for guaranteeing affordable, accessible, and democratically controlled electricity.

Despite rapid growth in solar, wind, and other renewable technologies, the Philippines continues to have some of the highest electricity rates in Southeast Asia, while energy self-sufficiency has declined and dependence on imported fuels persists. Consumers shoulder the costs of private investment through pass-through charges and renewable energy levies, while large-scale projects increasingly occupy agricultural lands, fishing grounds, forests, and ancestral domains. These developments threaten food security, livelihoods, and ecosystems, often without meaningful consultation or adequate compensation for affected communities.

The brief also highlights the limitations of current renewable energy policies. Fiscal incentives, tax breaks, and guaranteed returns overwhelmingly benefit large corporations, while programs such as net metering and distributed energy resources remain largely accessible to middle- and upper-income households. Ownership remains concentrated among a handful of conglomerates and their foreign partners, reinforcing market-driven planning and a weak public sector role.

The current administration has further deepened this orientation by actively encouraging foreign ownership and investment in renewable energy. President Ferdinand Marcos Jr. welcomed 100% foreign ownership in RE projects, presenting it as necessary for the transition from fossil fuels toward “clean, sustainable and more accessible renewable energy.” This policy shift, enabled through amendments to the interpretation of the Renewable Energy Act and related regulations, removes previous Filipino ownership restrictions and opens the sector more fully to global investors.

The Philippine Energy Plan (PEP) 2023-2050 further illustrates the scale of planned RE expansion. Government projections indicate that by 2050, vast portions of land and marine territories will be devoted to renewable energy infrastructure. Depending on the scenario, almost 700,000 hectares each may be allocated for offshore and onshore renewable energy development. In another offshore scenario, more than one million hectares of marine space may be required. While offshore projects may reduce direct displacement of farmland in some areas, they pose serious threats to fisherfolk communities and coastal livelihoods.

Large-scale RE expansion is already reshaping land use across the country. Renewable energy infrastructure is increasingly encroaching on agricultural lands, ancestral domains, fishing grounds, forests, and coastal ecosystems. Communities living alongside these resources often face land conversion, restricted access, displacement, or loss of livelihood, frequently without meaningful consultation or adequate compensation.

There is renewable energy—but it is corporate-led, not people-centered

The Philippines possesses immense renewable energy (RE) potential. Offshore wind resources alone are estimated to have the capacity to generate as much as 702 terawatt-hours (TWh) annually—far beyond the country's current annual electricity consumption of around 110 TWh. The country also has vast solar, geothermal, hydro, wind, and biomass resources spread across its islands and coastal territories. On paper, these resources could support a cleaner and more secure energy future.

But renewable energy development is not simply determined by the availability of natural resources. Whether renewable energy becomes sustainable, affordable, and beneficial for the majority depends on infrastructure, technology, financing, and most importantly, policy direction. In this regard, the state plays a decisive role. The question is not only whether renewable energy is expanding, but also who controls it, who benefits from it, and who bears the social and environmental costs.

In the Philippines today, renewable energy development is largely being pursued within a privatized and deregulated energy system dominated by large corporations and increasingly by foreign capital. Rather than being designed primarily to guarantee affordable electricity, energy security, or universal access for the public, RE expansion is unfolding as a new arena for profit accumulation.

This framework is shaped by the Energy Power Industry Reform Act (EPIRA) of 2001, which privatized and deregulated much of the power sector. Under EPIRA, electricity generation and distribution were opened to private corporations under the promise that competition would lower costs and improve efficiency. Instead, the power sector became concentrated in the hands of a few conglomerates that now dominate both fossil fuel and renewable energy investments.

Renewable energy has therefore emerged not as an alternative to corporate control, but as an extension of it. Large conglomerates with longstanding interests in coal, gas, and conventional energy are now also the leading players in solar, wind, geothermal, and hydro projects. Renewable energy projects are being developed within the same market framework that prioritizes investor returns, guarantees profits, and passes costs and risks onto consumers.



The structure of the current energy system therefore shapes how renewable energy develops:

- Projects are primarily profit-driven rather than needs-based;
- Costs and financial risks are passed on to consumers through electricity rates and charges;
- By turning energy, an inelastic good, into a commodity, it becomes less accessible to those with weaker purchasing power
- Energy planning remains centered on private investment returns rather than public welfare.

As a result, renewable energy growth in the Philippines does not automatically mean democratized energy access, lower electricity prices, or improved welfare for ordinary consumers. Even the transition being “green” is in question.

High costs and energy inequality persist

The expansion of renewable energy does not automatically resolve the country’s long-standing problems of expensive electricity and unequal access. The structure of the energy sector—not merely the source of electricity—determines who benefits from energy development.

Despite repeated promises that privatization and deregulation would reduce power costs, electricity prices in the Philippines have continued to rise since EPIRA. As of July 2025, Philippine electricity rates remained among the highest in Southeast Asia, second only to Singapore. This reflects continuing dependence on imported fuels, monopoly pricing power, privatized utilities, and automatic pass-through mechanisms that allow corporations to transfer costs directly to consumers.

The country’s energy insecurity has also worsened. The Philippines’ energy self-sufficiency steadily declined from 51.6% in 2019 to just 45% in 2024, meaning more than half of the country’s energy supply now comes from imports. This increases vulnerability to global price shocks, geopolitical instability, and supply disruptions. In 2024 alone, total energy imports rose from 35,111 kilotons of oil equivalent (KTOE) to 38,000 KTOE. Oil remained the largest imported fuel source, while coal imports posted the fastest growth.

Even as renewable energy production expanded, fossil fuels continued to dominate the country's power mix. Coal still accounted for the largest share of electricity generation in 2023 at 34%, while renewable energy contributed 23%. Within the renewable sector itself, hydropower and solar are the current dominant in terms of installed capacity. In terms of power generation, geothermal contributed the largest (10,798GWh), followed by hydropower (10,909GWh).

Solar generation increased significantly in 2024, rising nearly 50% from 219 KTOE in 2023 to 328 KTOE. Yet this expansion has not translated into substantially lower electricity prices for ordinary consumers. Instead, households continue to shoulder numerous charges embedded in electricity bills, including generation charges, transmission charges, universal charges, and renewable energy-related charges.

Privatization institutionalized a system where consumers absorb the costs of investment incentives and market fluctuations. Even subsidies and support mechanisms for renewable energy development are effectively passed on to consumers. Programs such as the Feed-in-Tariff Allowance (FIT-All) and the Green Energy Auction Allowance (GEA-All) are collected through electricity bills. Beginning January 2026, consumers are expected to pay an additional 3.7 centavos per kilowatt-hour following ERC approval of the GEA-All collection to fund renewable energy projects.

Electricity under this framework is treated primarily as a commodity rather than a public service or social right. As a result, poor households face disproportionate burdens. Residential consumers account for the largest share of electricity consumption nationwide, yet many low-income households continue to struggle with high utility costs, unreliable service, and limited access.

At the same time, large-scale renewable energy projects are creating growing conflicts over land, food production, and livelihood.

Solar projects have already occupied extensive agricultural lands across several provinces:

- Empera Solar Power in Nueva Ecija;
- A 500-hectare solar installation in Malubog, Tarlac;
- Around 300 hectares in Zambales;
- Around 400 hectares in Ilagan City;
- Nearly 1,000 hectares of solar development in Negros.

Offshore and onshore wind projects are likewise expanding across coastal and agricultural areas:

- Bangui Wind Farm in Ilocos Norte;
- Burgos Wind Project covering around 700 hectares;
- Pagudpud Wind Project covering around 625 hectares;
- Mabini, Batangas offshore developments spanning roughly 4,000 hectares;
- Basic Energy wind farm projects covering around 4,536 hectares.

Other targeted areas include Manila Bay, Tayabas Bay, Guimaras Strait, and Mindoro waters. The proposed BuhaWind offshore wind project in Northern Luzon alone reportedly affects around 66,000 hectares and threatens the livelihoods of around 16,000 fisherfolk in Pagudpud, Bangui, and Pasuquin. Additional projects by Tripower and REDC are being planned in Mauban and Real, Quezon.

Government projections indicate that by 2050, around five million hectares may be required for solar and onshore renewable energy infrastructure, while around 1.6 million hectares may be devoted to offshore wind projects. In Bicol, the San Miguel Bay Offshore Wind Project between Camarines Norte and Camarines Sur spans over 23,000 hectares.

These developments carry major implications for food security, livelihoods, and ecological sustainability. Agricultural land conversion for solar farms may reduce land available for food production. Offshore wind installations threaten traditional fishing grounds and marine ecosystems. Indigenous peoples and upland communities are also affected by megadams, geothermal projects, and infrastructure expansion within ancestral domains.

Environmental impacts are likewise significant. Large-scale renewable projects can involve forest clearing, mountain flattening, land conversion, and disruption of marine ecosystems. Reported impacts include soil erosion, flooding, siltation, habitat destruction, biodiversity loss, and displacement of local communities. Biomass projects tied to corporate agriculture may also intensify monocropping and unsustainable land use.

The result is an energy transition that remains unequal. Renewable energy may expand, but without structural reform, the burden continues to fall disproportionately on consumers, farmers, fisherfolk, indigenous communities, and low-income households.

Limits of the current renewable energy policy framework

IBON's critique of the country's renewable energy agenda extends beyond the technologies themselves to the policy framework that governs their development.

The Renewable Energy Act of 2008---outlined in the National Renewable Energy Program (NREP) 2011-2030---is often presented as a progressive law because it promotes cleaner energy sources such as solar, wind, geothermal, hydro, biomass, and ocean energy.

The NREP serves as the government's roadmap for rapidly expanding renewable energy infrastructure. The program seeks to nearly triple renewable energy capacity from 5,438 megawatts (MW) in 2010 to 15,304 MW by 2030 through the large-scale investments in renewable energy generation.

It establishes sectoral targets, investment promotion mechanisms, research and development programs, resource assessments, and technology support systems intended to accelerate renewable energy deployment and attract private capital into the sector.

Yet while the NREP is ambitious in expanding generation capacity, it is far less explicit on how the benefits of renewable energy will be equitably distributed. The program is primarily oriented toward increasing installed capacity and mobilizing investment rather than guaranteeing universal access, affordable electricity, or democratic ownership of energy resources. Although the NREP identifies households, communities, and enterprises as potential beneficiaries of renewable energy development, it contains no corresponding framework



to ensure that low-income consumers, microenterprises, and small and medium enterprises (SMEs) can meaningfully access and benefit from these technologies. In practice, participation in renewable energy programs often depends on access to and ownership of capital, financing, land, and technical expertise—resources that are concentrated among larger corporations and wealthier consumers.

The Renewable Energy Act operates within the same deregulated and privatized electricity system established by EPIRA. Renewable energy has been integrated into a market-based framework where investment decisions are driven by profitability rather than public need. The state provides extensive fiscal and non-fiscal incentives to attract private investors, including income tax holidays, duty-free importation of equipment, VAT exemptions, preferential tax rates, and guaranteed market access through mechanisms such as feed-in tariffs and green energy auctions. These incentives are justified as necessary to accelerate the energy transition, but they disproportionately benefit large corporations and foreign investors with the financial capacity to undertake utility-scale projects.

Policies intended to encourage consumer participation also thrive on social inequalities. Programs such as net metering and distributed energy resources (DER), including rooftop solar systems, allow households and businesses to generate electricity for their own use and export excess power to the grid. In theory, these programs can lower electricity bills and increase resilience. In practice, however, the high upfront cost of equipment and installation, financing constraints, and technical requirements make these options accessible mainly to middle- and upper-income households, large commercial establishments, and institutions.

Poor households, which already struggle to pay basic electricity bills, are effectively excluded from these opportunities.

The structure of the grid and regulatory environment likewise favors large-scale projects. Utility-scale solar and wind farms backed by major corporations enjoy easier access to financing, permits, and transmission infrastructure, while community-based renewable systems, electric cooperatives, and local energy initiatives receive comparatively little institutional support.

As a result, renewable energy expands, but control remains concentrated and access remains unequal. The transition may establish cleaner sources of energy, yet it does not fundamentally address unequal access, affordability, or



governance in the power sector. Communities and livelihoods – which should be the forefront beneficiary of renewable energy systems – are even either destroyed or displaced. Hence, renewable energy development remains embedded in a privatized and profit-oriented system, where increased renewable capacity alone does not guarantee energy justice.

“Green” but not just

The Philippines can increase renewable energy capacity without solving the deeper problems of energy poverty, high electricity prices, and unequal access. Electricity may become technically cleaner, but it can remain expensive, insecure, and exclusionary for the majority of Filipinos. This is because ownership remains concentrated in the hands of a small number of conglomerates.

Many of the country's leading renewable energy projects are controlled by the same business groups that dominate the broader energy sector. Empera Solar is linked to Meralco and Lopez interests. Solar Power New Energy Corporation is associated with Aboitiz. ACEN, under the Ayala Group, has become one of the country's largest renewable energy developers. Energy Development Corporation and First Gen, both under the Lopez Group, continue to dominate geothermal and other renewable technologies. PetroGreen is linked to the Yuchengco Group, Trans-Asia Renewable Energy to PHINMA, and Negros Solar Farms to Aboitiz interests.

Foreign capital is also becoming increasingly prominent. Companies and investment partners from Japan, Denmark, France, Germany, Singapore, the United Kingdom, the United Arab Emirates, and the United States are entering the sector. Projects such as BuhaWind, backed by Copenhagen Energy, and investments by TotalEnergies, Masdar, Marubeni, and Mainstream Renewable Power illustrate how Philippine renewable energy is becoming more deeply integrated into global capital flows.

This concentration of ownership means that the energy transition remains corporate-led.

Planning is also market-driven rather than needs-based. Projects are prioritized where returns are highest and where resources are commercially attractive, not necessarily where communities are underserved or where development needs are greatest.

Meanwhile, the public sector plays a limited role. Government largely acts as facilitator, regulator, and guarantor of private investment rather than as a direct provider of affordable energy services.

The result is a transition that may reduce carbon emissions while reproducing the same inequalities in ownership, access, and decision-making that characterize the existing power system.

Prospects under the current system

Under current policies, renewable energy development in the Philippines will likely continue to accelerate over the coming decades.

Government targets call for renewable energy to account for more than 40% of the power generation mix by 2030 and to exceed 50% by 2040. Large-scale solar, wind, geothermal, hydro, and battery storage projects are expected to expand significantly, supported by generous incentives, green energy auctions, and the liberalization of ownership rules.

Foreign investment is also expected to grow as the Philippines is increasingly marketed as an attractive destination for global green capital due to its vast resource potential, favorable tax incentives, and deregulated energy market. Yet for the majority of Filipinos, this expansion may not translate into better energy conditions.

There is no guarantee that electricity prices will fall, since rates remain determined by private utilities and market mechanisms rather than by social objectives. Low-income households may continue to face barriers to participating in decentralized energy technologies such as rooftop solar and battery storage. Consumers will likely remain dependent on private distribution utilities and exposed to charges that pass investment costs directly onto their electricity bills.

Meanwhile, the social and environmental pressures associated with large-scale renewable projects—including land conversion, displacement, and livelihood loss—may intensify as more territories are opened to development.

In short, the current trajectory points to more renewable energy, but not necessarily to more affordable, equitable, or democratic energy.



People-centered renewable energy

The Philippines does not simply need more renewable energy projects. It needs a different energy system.

Especially amid recurring oil price shocks and rising electricity costs, genuine renewable energy development requires systemic reform rather than a mere expansion of privately owned infrastructure.

A people-centered renewable energy strategy would begin with reversing the privatization and deregulation of the power sector. Repealing or fundamentally restructuring EPIRA is essential to restoring stronger public control over electricity generation, transmission, and distribution.

Public ownership and democratic governance must be strengthened so that energy planning is guided by public welfare rather than investor returns. Renewable energy development should be based on social need. This means ensuring universal access to affordable electricity, supporting agriculture and domestic industry, and integrating energy planning with a broader program of national industrialization.

Community-based and decentralized renewable systems should also be prioritized. Renewable energy cooperatives, community solar, microgrids, and publicly supported rooftop solar programs can allow communities, small producers, and local enterprises to directly benefit from their own energy resources.

Above all, electricity must be treated as a public good rather than a commodity. Access to energy is essential to health, education, livelihoods, and development. It should therefore be governed according to principles of equity, accountability, and sustainability.

This vision aligns with the idea of a People's Green New Deal—one that combines a just transition, energy sovereignty, ecological sustainability, and pro-poor development. The creation of a pro-people environment bill by mass organizations, institutions including progressive lawmakers is also underway. The Philippines has abundant renewable energy potential. The challenge is to ensure that this potential is harnessed not primarily for corporate profit, but for the needs and welfare of the Filipino people.



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