Statement of Work
Individual Consultants in Offshore Wind Development in the Philippines

Background:

USAID Energy Secure Philippines (ESP)

The $34 million USAID-funded Energy Secure Philippines (ESP) Activity aims to assist the Philippine government in pursuing development in the power sector. It has the three-fold objective of improving the performance of electric utilities, increasing the deployment of advanced energy sources and systems, and improving the energy procurement process. Overall, the ESP Activity contributes to the achievement of the Philippines Energy Sector Strategic Directions 2017-2040 and to the goals of the U.S. Government’s Asia Enhancing Development and Growth Through Energy (EDGE) Initiative, particularly in pursuing enhanced energy security through a transparent, market-driven, and resilient energy sector. Asia EDGE aims to expand access to affordable, reliable energy, including highly efficient conventional fuels, nuclear, and renewables, which reduces poverty, fosters inclusive economic growth, and promotes sustained prosperity.

Philippine Department of Energy

The Philippine Department of Energy (DOE) is embarking on a significant initiative to expedite the development of offshore wind (OSW) projects in alignment with Executive Order (EO) No. 21. The EO mandates the establishment of a comprehensive policy and administrative framework for OSW development to enhance renewable energy capacity in the country. The country’s renewable energy (RE) goal is to increase its share of RE in its energy mix from 22% to 35% by 2030 and to 50% by 2040. The Philippines OSW Roadmap reveals the country has a substantial OSW potential estimated at 178 GW. As of September 2023, the DOE has awarded 79 OSW contracts with a Potential Capacity of 61.931 GW. The USAID ESP, in providing technical assistance (TA) to the DOE in this aspect, is seeking individual experts in offshore wind development to provide essential guidance and support for selected local energy developers and financial institutions in their implementation and financing of OSW projects.

Objective:

The primary objective of the OSW consultancy services is to provide a tailored and comprehensive mentoring and business development support to selected OSW developers and financial institutions in the Philippines. This support will encompass various critical areas of OSW, each requiring the expertise of specialized consultants. These areas include enhancing proficiency in technical aspects, business development, financing, technical due diligence, environmental and environment, social and governance (ESG) considerations, regulatory compliance, and policy alignment.

Scope of Work:

1. Technical Proficiency Enhancement

The consultant will work closely with selected OSW developers to augment their technical competencies. This includes in-depth guidance on OSW technology, design optimization, and engineering best practices.
2. Business Development Processes

The consultant will collaborate with selected OSW developers to implement business development activities unique to OSW projects. These activities will include market research, feasibility studies and competitive analysis.

3. Financing Strategies and Due Diligence

The consultant will provide expertise to selected OSW developers on financial modelling, risk assessment, and investment analysis for OSW project financing. Additionally, support selected OSW developers in conducting technical due diligence for project viability.

4. Environmental and ESG Integration

The consultant will assist selected OSW developers in integrating environmental and ESG considerations into project planning and execution. This includes guidance on environment impact assessments and risk mitigation strategies.

5. Regulatory Compliance and Policy Alignment

The consultant will inform and update selected OSW developers on the new OSW policy and regulatory landscape in the Philippines and ensure compliance to local and national regulations and aligned to relevant policies unique to OSW projects.

6. Green Banking and Climate Finance for OSW Projects

The consultant will mentor selected financial institutions in integrating green finance principles with focus on offshore wind projects. This includes risk assessments, OSW project evaluation, financial viability, financing strategies such as innovative mechanisms and collaborations, and environmental compliance.

Key Deliverables:

Mentoring Sessions

- **Technical Proficiency Enhancement:**
  - Provide selected OSW developers with comprehensive technical reports on specific aspects of OSW technology, design optimization, and engineering best practices relevant to their projects.
  - Provide customized technical training plans for selected OSW developer team members.

- **Business Development Strategies**
  - Assist selected OSW developers in creating business development strategies, including market analysis reports, competitor profiles and roadmaps.
  - Conduct training sessions for presentations to potential investors and partners.

- **Financing Strategies and Technical Due Diligence**
  - Develop financial models tailored for each selected OSW developer, including cash flow projections, O&M assumptions and LCOE, return on investment (ROI) analyses and sensitivity analyses.
- Prepare detailed due diligence reports, highlighting strengths, weaknesses, opportunities and threats (SWOT) for each OSW project.
  
  o **Environmental and ESG Integration**
    - Provide guidance on the conduct of local environmental impact assessment, including methodologies to assess and mitigate environmental impacts.
    - Assist each selected OSW developer in creating ESG integration plans that align with international standards and best practices.
  
  o **Regulatory Compliance and Policy Alignment**
    - Develop a checklist for selected OSW developers to ensure compliance to local and national regulations and policies.
  
  o **Green Banking and Climate Finance for OSW Projects**
    - Develop a green financing framework with a focus on OSW projects to be integrated in the financial institution’s operations for selected financial institutions.
    - Develop a framework for risk assessment of OSW projects including identification, quantification and mitigation strategies for environmental, social and financial risks.
    - Develop a detailed OSW project evaluation criteria for financial, environmental sustainability and social impact viability.
    - Draft a report containing financing strategies such as innovative mechanisms and blended finance recommendations for optimizing capital allocation.

Note: Each consultant per area of expertise will provide other relevant documents such as training materials and final assessment reports, to ensure that the mentoring sessions are well-documented, actionable and tailored to the goals of each selected OSW developer.

**Qualifications:**

- Deep understanding and relevant experience with offshore (OSW) wind projects, regulatory compliance, and due diligence tasks.
- Industry knowledge and understanding of technical aspects of OSW, project economics, risks, and commercial aspects of offshore wind development (OWD)
- 2-3 years of relevant professional experience in OWD.
- Bachelor’s degree in a relevant discipline and a master’s degree or advanced degree.
- Skilled in report writing, presentation and business development activities.
- Ability to facilitate client discussions on OSW topics.

**Performance Measurement:**

**Selected OSW Developers:**

1. Timely Acquisition of Offshore Wind Energy Project Permits given the timeline, ending in September 30, 2024
2. Provide options on the proposed connection to the grid that will be subject to the approval of the National Grid Corporation of the Philippines (NGCP) System Impact Study within the given timeline, ending in September 30, 2024.

3. Accurate and timely completion of financial models tailored for each selected OSW developer, including cash flow projections, O&M assumptions and LCOE, return on investment (ROI) analyses and sensitivity analyses within the given timeline, ending in September 30, 2024.

Selected Financial Institutions:

1. Green Financing for OSW projects portfolio growth given the timeline, ending in September 30, 2024.