



Republic of the Philippines  
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## MEMORANDUM

FOR : **The Directors**  
Legal Affairs Service  
Policy and Planning Service  
Climate Change Service

**The Bureau Directors**  
Environmental Management Bureau  
Biodiversity Management Bureau  
Ecosystems Research Development Bureau

FROM : **The Director**  
Legislative Liaison Office

SUBJECT : **INVITATION TO THE TECHNICAL WORKING GROUP (TWG) MEETING AND REQUEST FOR COMMENTS FROM THE COMMITTEE ON ENERGY OF THE HOUSE OF REPRESENTATIVES**

DATE : 27 February 2023

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The Committee on Energy of the House of Representatives will conduct a face-to-face meeting on **01 March 2023 (Wednesday), 10:00 A.M. at the Speaker Aquino-Makalintal Hall, South Wing Annex Building** for the initial TWG deliberation on the Amendment to Biofuels Act measures, as follows:

1. HB No. 2180 - AN ACT REDUCING THE PRICE OF FUEL, AMENDING FOR THE PURPOSE SECTION 5 OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE 'BIOFUELS ACT OF 2006', authored by Representative Ralph G. Recto
2. HB No. 7059 - AN ACT AMENDING SECTION 5 OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE "BIOFUELS ACT OF 2006" authored by Representatives Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan

In this regard, we would like to **request additional comments/recommendations on the above-mentioned House Bills**. Kindly submit it on or before **February 28, 2023, at 5 PM** via email at [denrllo@denr.gov.ph](mailto:denrllo@denr.gov.ph). Further, your or your representative's attendance at the mentioned meeting is requested as the agenda will deliberate on bills that are of significance to your mandates.

Attached herewith are the invitation, agenda, matrix, issues raised during the meeting last 07 February 2023, and copies of the House Bills for your reference.

Your attendance is highly encouraged.

**ROMIROSE B. PADIN**

cc: Undersecretary Special Concerns and Legislative Affairs

MEMO NO. 2023 - 167



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City  
19<sup>th</sup> Congress

**COMMITTEE ON ENERGY**

**INVITATION TO THE TECHNICAL WORKING GROUP (TWG) MEETING**

February 23, 2023

To the **Concerned Stakeholders (Government and Private Sectors)**

Sir/Madam,

Please be informed that the Committee on Energy will hold a meeting (on-site) on the date, time and venue indicated hereunder:

<b>DATE/TIME/VENUE</b>	<b>March 01, 2023 (Wednesday)</b> <b>10:00 A.M.</b> <b>Speaker Aquino-Makalintal Hall, South Wing Annex Building</b>
<b>AGENDA</b>	➤ Initial TWG deliberation on House Bills Numbered 2180 and 7059 – Amendments to Biofuels Act measures

Attached are the Agenda, comparative matrix, and issues raised during the meeting on February 07, 2023, for your reference.

Your active participation on the said meeting is highly appreciated.

The Committee Secretariat appreciates your confirmation of attendance on or before February 27, 2023, through email address: [committee.energy@house.gov.ph](mailto:committee.energy@house.gov.ph) or at telephone number 8931-3593. You may also contact our Committee Staff, Mr. Lorenzo Nestor G. Cortes – 09189193698 or Ms. Joy Mariano – 09176265190 for the confirmation of your attendees.

In compliance with the new House protocol for visitors, may we request the attendee/s from your good office to bring negative antigen test result taken within 24 hours together with the filled-up Health Declaration Form (HDF) with the following information:

- Full Name
- Email Address
- Mobile Number
- Person to visit
- Purpose of visit
- Date of visit
- Copy of ID
- Photo of Antigen test result, if already have (24 hours prior to the date and time of visit). If attendee/s does not have an Antigen test result yet, they may bring their FDA-approved test kit or they can purchase it at HRep for P350.00.

Attached is the HDF for your perusal. Attached also is the Visitor Pass Form to be filled-up by your attendee/s and to be sent back to the Committee at least two (2) days prior to the scheduled Committee hearing.

Thank you very much.

Very truly yours,

**LORD ALLAN JAY Q. VELASCO**  
Chairperson

For the Chairperson:

  
**MELANIE T. AÑAIN**  
Committee Secretary



## COMMITTEE ON ENERGY

### TECHNICAL WORKING GROUP (TWG) MEETING

March 01, 2023 (Wednesday), 10:00 A.M.

Speaker Aquino-Makalintal Hall, South Wing Annex

### A G E N D A

- I. Call to Order/Roll Call
  - II. Remarks of TWG Chairperson Kristine Singson-Meehan
  - III. Acknowledgement of TWG Members and Participants
  - IV. Initial TWG deliberation on House Bills Numbered 2180 and 7059 – Amendments to Biofuels Act measures
  - V. Other Matters
  - VI. Adjournment
- 

#### TWG Participants:

1. Department of Energy (DOE)
2. Department of Agriculture (DA)
3. Department of Environment and Natural Resources (DENR)
4. Department of Science and Technology (DOST)
5. Department of Trade and Industry (DTI)
6. DA - Sugar Regulatory Administration (SRA)
7. DA - Philippine Coconut Authority (PCA)
8. National Biofuels Board (NBB)
9. Landbank of the Philippines (LBP)
10. Mariano Marcos State University (MMSU)
11. Ethanol Producers Association of the Philippines (EPAP)
12. Philippine Sugar Millers Association (PSMA)
13. Philippine Institute of Petroleum (PIP)
14. Independent Philippine Petroleum Companies Association (IPPCA)



Republic of the Philippines  
**House of Representatives**  
 Quezon City, Metro Manila

**NOTICE:** The House of Representatives (HRep) is strictly implementing a "**NO-FACE-MASK-AND-FACE-SHIELD, NO-ENTRY**" policy. Wear your face mask and face shield at all times while inside the HRep premises.

**HEALTH DECLARATION FORM**

Body Temperature:	A.M.	P.M.
Last Name	First Name	Middle Name
Nationality:	Sex:	Age:
Email Address:		Cellphone Number:
Present Address:	Street	Barangay
Municipality/City/Province		
Foreign countries you have worked, visited, transited in the past 14 days		
Cities in the Philippines you have worked, lived or transited in the past 14 days		
Have you been sick in the past 14 days? Hospital visited, if any?		<input type="checkbox"/> 'Yes', please describe condition: <input type="checkbox"/> No
Are you experiencing or have experienced, within the last 14 days, any of the following COVID-19 symptoms:		
<input type="checkbox"/> fever or chills <input type="checkbox"/> cough <input type="checkbox"/> shortness of breath or difficulty in breathing <input type="checkbox"/> fatigue <input type="checkbox"/> muscle or body aches <input type="checkbox"/> headache <input type="checkbox"/> loss of taste or smell <input type="checkbox"/> sore throat <input type="checkbox"/> congestion or runny nose		
<input type="checkbox"/> sore eyes <input type="checkbox"/> nausea or vomiting <input type="checkbox"/> diarrhea <input type="checkbox"/> cutaneous (skin) manifestation /lesion especially in children <input type="checkbox"/> neurological manifestations like new confusion, impaired level of consciousness, or stroke-like symptoms <input type="checkbox"/> others _____		
<input type="checkbox"/> No		
Within the last 14 days, have you been directly exposed to a COVID-19: <i>If you checked Yes, please describe circumstance:</i> <b>Yes</b> <input type="checkbox"/> suspect case (including a member of your household who has been sick in the past 14 days) <input type="checkbox"/> probable case <input type="checkbox"/> confirmed case <input type="checkbox"/> No		Within the past 14 days, have you taken any test to detect if you have COVID-19? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If Yes, please specify the kind of test and the result:</i>
In the last 14 days, have you been in close contact with farm animals or exposed to wild animals?		<input type="checkbox"/> 'Yes', please describe circumstance: <input type="checkbox"/> No

**Declaration and Data Privacy Consent Form:**

*The information I have given is true, correct, and complete. I understand that failure to answer any question or giving false answer can be penalized in accordance with law.*

*I voluntarily and freely consent to the collection and sharing of the above personal information only in relation to the HRep COVID-19 internal protocols.*

\_\_\_\_\_  
 Name and Signature

\_\_\_\_\_  
 Date

*Please be advised that the above information shall only be used in relation to the HRep COVID-19 internal protocols in accordance with the Data Privacy Act. For any concerns, you may contact [secretary.general@house.gov.ph](mailto:secretary.general@house.gov.ph)*



Republic of the Philippines  
**House of Representatives**  
 Quezon City, Metro Manila

**PAUNAWA:** Ang House of Representatives (HRep) ay istriktong nagpapatupad ng "NO-FACE-MASK-AND-FACE-SHIELD, NO-ENTRY" bilang polisiya. Panatilihing nakasuot ang inyong face mask at face shield habang kayo ay nasa loob ng HRep.

**PAHAYAG TUNGKOL SA KALUSUGAN**

Temperatura ng Katawan:	N.U.	N.H.
Apelyido	Unang Pangalan	Gitnang Pangalan
Nasyonalidad:	Kasarian:	Edad:
Numero ng Cellphone:		
Email Address:	Lugar ng Trabaho:	
Kasalukuyang Tirahan:	Kalye	Barangay
Munisipalidad/Lungsod/Probinsya		
Sa nakaraang 14 na araw, mga bansa kung saan ka nagtrabaho, nagpunta, o dumaan		
Sa nakaraang 14 na araw, mga siyudad sa Pilipinas kung saan ka nagtrabaho, nagpunta, o dumaan		
Nitong nakaraang 14 araw, ikaw ba ay nagkasakit? Bumisita sa isang <input type="checkbox"/> 'Oo', <i>tukuyin:</i> <input type="checkbox"/> Hindi Ospital?		
Kasalukuyang nakakaranas or nakaranas ka ba sa nakaraang 14 na araw ng mga sumusunod na sintomas:		
<input type="checkbox"/> lagnat o panginginig <input type="checkbox"/> ubo <input type="checkbox"/> kinakapos sa paghinga o hirap sa paghinga <input type="checkbox"/> pagkapagod <input type="checkbox"/> sakit sa kalamnan <input type="checkbox"/> sakit ng ulo <input type="checkbox"/> pagkawala ng pang-amoy o panlasa <input type="checkbox"/> namamagang lalamunan <input type="checkbox"/> baradong ilong o sipon	<input type="checkbox"/> pamumula ng mata <input type="checkbox"/> pagduduwal o pagsusuka <input type="checkbox"/> madalas na pagdumi <input type="checkbox"/> pamamantal o sugat sa balat lalo na sa bata <input type="checkbox"/> neurological na manipestasyon tulad ng bagong pagkalito, pagbabago sa kamalayan, o tulad ng sintomas ng stroke <input type="checkbox"/> iba pa _____	<input type="checkbox"/> Hindi
Sa nakaraang 14 na araw, nagkaroon ka ba ng malapitang pakikisalamuha sa COVID-19 na: <i>Kung 'Oo', ipaliwanag:</i> <input type="checkbox"/> Oo <input type="checkbox"/> pinaghihinalaang kaso ( <i>kasama ang miyembro ng inyong sambahayan na may sakit sa nakaraang 14 na araw</i> ) <input type="checkbox"/> maaaring kaso <input type="checkbox"/> kumpirmadong kaso <input type="checkbox"/> Hindi	Sa nakaraang 14 na araw, ikaw ba ay sumailalim sa anumang pagsusuri para matukoy kung ikaw ay may COVID-19? <input type="checkbox"/> Oo <input type="checkbox"/> Hindi <i>Kung Oo, ihayag kung anong uri ng pagsusuri at kung ano ang resulta nito:</i>	
Sa nakaraang 14 na araw, meron ka bang pagkakataong napalapit sa mga hayop sa bukid o mga mabangis na hayop? <input type="checkbox"/> 'Oo', <i>tukuyin:</i> <input type="checkbox"/> Hindi		
<p><b><u>Pahayag at Pahintulot sa Pagkalihim ng Datos:</u></b></p> <p>Ang impormasyong aking ibinigay ay totoo, tama, at kumpleto. Nauunawaan ko na ang hindi ko pagsagot sa anumang katanungan o pagbibigay ng hindi totoong kasagutan ay may karamptang parusa sa ilalim ng batas.</p> <p>Ako ay kusa at malayang nagbibigay pahintulot sa paglikom at pagbahagi ng mga personal na impormasyong aking ibinigay alinsunod sa HRep COVID - 19 panloob na alituntunin.</p>		
_____ Pangalan at Pirma		_____ Petsa
Pinapaunawa na ang impormasyong ibinigay sa itaas ay gagamitin lamang ayon sa HRep COVID-19 panloob na alituntunin, ayon sa Data Privacy Act. Para sa anumang katanungan, makipagugnayan sa <a href="mailto:secretary.general@house.gov.ph">secretary.general@house.gov.ph</a>		



**PHILIPPINE INSTITUTE OF PETROLEUM**  
*The National Association of Oil Companies*

16 February 2023  
Ref. No. 2023-03

**Hon. Lord Allan Q. Velasco**  
Chairman  
House Committee on Energy  
House of Representatives  
Constitution Hills, Quezon City (sent via email)

**Attention: Ms. Melanie T. Anain**  
Committee Secretary

**Subject: PIP Position on HBs 2180 and 7059**

**Dear Congressman Velasco:**

The Philippine Institute of Petroleum (PIP) writes the House Committee on Energy in response to its invitation to provide our comments on the following proposed House Bills:

- HB No. 2180 An Act Reducing the Price of Fuel, Amending for the Purpose of Section 5 of RA 9367, known as the Biofuels Act of 2006
- HB 7059 An Act Amending Section 5 of RA 9367, otherwise Known as the Biofuels Act of 2006

With regards to HB 7059, as mentioned in the explanatory note, should the cost of the blending components (ethanol for gasoline and or CME for diesel) be more than the base fuel itself then it does makes sense to temporarily suspend the implementation of the bio-fuels law for a certain period of time.

However, there are some issues that policy makers need to consider in implementing this as it cannot be looked upon as a "switch on/switch off" situation given the price volatility of both the base fuel and the blending components and some technical issues that will also impact the automotive segment.

Some of this can evolve around the following:

1. What fuel specifications (PNS) will the industry follow? In the case of ethanol suspension for example, changes in specifications will impact the automotive/motorcycle industry as ethanol is partly responsible for increasing gasoline's octane rating. Without the ethanol, the result will be regular gasoline with 87 RON minimum and premium gasoline with 92 RON minimum. There might be mismatches in the requirement of our current vehicle population which may result to imbalances in supply/demand. Furthermore, the purpose of reducing the cost of fuel

might not be met if motorists who are regular gasoline grade users are left with and would need to shift to premium gasoline which is more expensive to meet their vehicle's requirement.

2. What is the proposed transition plan for the suspension and to go back to B2 and E10 when the suspension period has ended?

Prior to suspension and even going back to the mandated blending requirement, sufficient time should be given to the industry players for the following:

- Recalibration of operational processes, etc. in the depots and in retail stations

#### Terminal/Depot Level

During suspension and transition back to B2, the testing conducted by the DOE should also be suspended particularly testing on FAME (fatty acid methyl ester) and Methyl Laurate.

Suspension and going back to the required blending will also have impact on the back office documentation and on-going fuel marking program. Procedures need to be reviewed and this will entail additional time since currently, fuel marking doping is based on biofuels blend volumes.

#### Retail Stations

A longer transition period maybe required for retail station tanks as compared to terminals/depot considering the differences in thruput of retail sites and the needed changes for the decals/signages to reflect the actual biofuels content.

- Suspension of the LMA (local monthly allocation) compliance requirements.

Suspension of the biofuels blend will entail the suspension also of the LMA compliance requirements. Oil companies have existing contracts already with the biofuel suppliers and may have already placed its orders maybe for their 2 month requirement.

The DOE should acknowledge that a longer transition period is required in order to go back to E10 and also for B2 diesel (CME) in order for oil companies to negotiate new agreements and to procure blending components.

It is also important for this Committee and the government to be aware of the possibility that non-compliant players could take advantage of the transition period in order to intentionally not to blend even after the lifting of suspension.

3. Impact on existing contracts. Oil company's biofuels contracts with suppliers may have already been negotiated/agreed already for 2023. They may have already made purchases 2 months in advance.



**PIP**

Page 2 of 2

Letter to Hon. Lord Allan Velasco 2023-03

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Given the increasing prices both for the base fuel and the biofuels including proposals from other stakeholders to increase biofuel blend, we would like to respectfully manifest also some of our concerns:


1. Local production of fuel ethanol is not sufficient and oil companies need to import, which by the way is cheaper, to supplement their requirements.
2. In this time that the country is seeking food security and resiliency, allocating more agricultural land for fuel ethanol will exacerbate the country's existing shortcoming in food production.
3. With regards to the Clean Air aspect, it is correct that today's fuel specifications are cleaner and more efficient. We are currently adopting Euro 4 specifications and the DOE and DENR are now considering EURO 5 and higher to further reduce sulfur and other particulates in the fuel.
4. Quoting from sources in the automotive and motorcycle industry, majority of the vehicles here may not yet be ready for higher biofuel blends.

The PIP member companies fully support initiatives to help reduce fuel prices and support the Clean Air Act. The temporary suspension of the biofuels law should blended fuel prices be higher than the base fuel will definitely impact retail prices. However, other operational and technical concerns highlighted above needs to be considered.

We hope that the above comments will provide insights to the Committee's discussion on the matters.

Thank you very much.

Respectfully yours,



**Raphael C. Capinpin**  
Executive Director

**COMPARATIVE MATRIX  
AMENDMENT TO BIOFUELS ACT**

<p style="text-align: center;"><b>HOUSE BILL NO. 2180</b></p> <p style="text-align: center;">Rep. Ralph G. Recto</p>	<p style="text-align: center;"><b>HOUSE BILL 7059</b></p> <p style="text-align: center;">Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan</p>	<p style="text-align: center;"><b>PROVISIONAL DIFFERENCES</b></p>	<p style="text-align: center;"><b>STAKEHOLDERS COMMENTS</b></p>
<p style="text-align: center;"><b>AN ACT REDUCING THE PRICE OF FUEL, AMENDING FOR THE PURPOSE SECTION 5 OF THE REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE "BIOFUELS ACT OF 2006"</b></p>	<p style="text-align: center;"><b>AN ACT AMENDING SECTION 5 OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE "BIOFUELS ACT OF 2006"</b></p>	<p>House Bill No. 2180 and House Bill No. 7059 are amending Section 5 of R.A. No. 9367, which seeks to reduce the retail pump price of fuel by suspending the implementation of the biofuel blend requirement of gasoline and diesel.</p>	<p><b><u>PHILIPPINE INSTITUTE OF PETROLEUM COMMENTS:</u></b></p> <ol style="list-style-type: none"> <li>1. Local production of fuel ethanol is not sufficient and oil companies need to <b>import, which by the way is cheaper, to supplement their requirements.</b></li> <li>2. In this time that the country is seeking food security and resiliency, <b>allocating more agricultural land for fuel ethanol will exacerbate the country's existing shortcoming in food production.</b></li> <li>3. With regards to the Clean Air aspect, it is correct that today's fuel specifications are cleaner and more efficient. <b>We are currently adopting Euro 4 specifications and the DOE and DENR are now considering EURO 5 and higher to further reduce sulfur and other particulates in the fuel.</b></li> <li>4. Quoting from sources in the automotive and motorcycle industry, <b>majority of the vehicles here may not yet be ready for higher biofuel blends.</b></li> </ol> <p>The PIP member companies fully support initiatives to help reduce fuel</p>

<p align="center"><b>HOUSE BILL NO. 2180</b></p> <p align="center">Rep. Ralph G. Recto</p>	<p align="center"><b>HOUSE BILL 7059</b></p> <p align="center">Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan</p>	<p align="center"><b>PROVISIONAL DIFFERENCES</b></p>	<p align="center"><b>STAKEHOLDERS COMMENTS</b></p>
			<p>prices and support the Clean Air Act. <b>The temporary suspension of the biofuels law should blended fuel prices be higher than the base fuel will definitely impact retail prices. However, other operational and technical concerns highlighted above needs to be considered.</b></p>
<p>Section 1. <b>Short Title.</b> - This Act shall be known as the “<i>Murang Langis</i>” Act.</p>	<p>Section 1. <b>Short Title.</b> - This Act shall be known as the “<i>Murang Langis</i>” Act.</p>	<p>Same provisions - HB 2180 and HB 7059.</p>	
<p>Sec. 2. <b>Declaration of Policy.</b> - It is hereby declared the policy of the State to protect public interest by providing reasonably-priced petroleum products to consumers. Towards, this end, the State shall implement policies and programs to ensure the delivery of affordable fuel to the public.</p>	<p>Sec. 2. <b>Declaration of Policy.</b> - It is hereby declared the policy of the State to protect public interest by providing reasonably-priced petroleum products to consumers. Towards, this end, the State shall implement policies and programs to ensure the delivery of affordable fuel to the public.</p>	<p>Same provisions - HB 2180 and HB 7059.</p>	
		<p>No provision on Definition of Terms on HB 2180 and HB 7059.</p>	
<p>Sec. 3. Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006” is hereby amended to read as follows:</p> <p>“Sec. 5. Mandatory Use of Biofuels. - Pursuant to the above policy, it is</p>	<p>Sec. 3. Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006” is hereby amended to read as follows:</p> <p>“Sec. 5. Mandatory Use of Biofuels. - Pursuant to the above policy, it is</p>		

<p align="center"><b>HOUSE BILL NO. 2180</b></p> <p align="center">Rep. Ralph G. Recto</p>	<p align="center"><b>HOUSE BILL 7059</b></p> <p align="center">Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan</p>	<p align="center"><b>PROVISIONAL DIFFERENCES</b></p>	<p align="center"><b>STAKEHOLDERS COMMENTS</b></p>
<p>hereby mandated that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuels components as follows:</p> <p>“5.1 Within two years from the effectivity of this Act, at least five percent (5%) bioethanol shall comprise the annual total volume of gasoline fuel actually sold and distributed by each and every oil company in the country, subject to the requirement that all bioethanol blended gasoline shall contain a minimum of five percent (5%) bioethanol fuel by volume: Provided, That the ethanol blend conforms to PNS.</p> <p>“5.2 Within four years from the effectivity of this Act, the NBB created under this Act is empowered to determine the feasibility and thereafter recommend to DOE to mandate a minimum of ten percent (10%) blend of bioethanol by volume into all gasoline fuel distributed and sold by each and every oil company in the country.</p>	<p>hereby mandated that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuels components as follows:</p> <p>“5.1 Within two years from the effectivity of this Act, at least five percent (5%) bioethanol shall comprise the annual total volume of gasoline fuel actually sold and distributed by each and every oil company in the country, subject to the requirement that all bioethanol blended gasoline shall contain a minimum of five percent (5%) bioethanol fuel by volume: Provided, That the ethanol blend conforms to PNS.</p> <p>“5.2 Within four years from the effectivity of this Act, the NBB created under this Act is empowered to determine the feasibility and thereafter recommend to DOE to mandate a minimum of ten percent (10%) blend of bioethanol by volume into all gasoline fuel distributed and sold by each and every oil company in the country.</p>		

<p align="center"><b>HOUSE BILL NO. 2180</b></p> <p align="center">Rep. Ralph G. Recto</p>	<p align="center"><b>HOUSE BILL 7059</b></p> <p align="center">Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan</p>	<p align="center"><b>PROVISIONAL DIFFERENCES</b></p>	<p align="center"><b>STAKEHOLDERS COMMENTS</b></p>
<p>“In the event of supply shortage of locally-produced bioethanol during the four-year period, oil companies shall be allowed to import bioethanol but only to the extent of the shortage as may be determined by the NBB.</p> <p>“5.3 Within three months from the effectivity of this Act, a minimum of one percent (1%) biodiesel by volume shall be blended into all diesel engine fuels sold in the country: Provided, That the biodiesel blend conforms to PNS for biodiesel.</p> <p>“Within two years from the effectivity of this Act, the NBB created under this Act is empowered to determine the feasibility and thereafter recommend to DOE to mandate a minimum of two percent (2%) blend of biodiesel by volume which may be increased taking into account considerations including but not limited to domestic supply and availability of locally-sourced biodiesel component.</p>	<p>“In the event of supply shortage of locally-produced bioethanol during the four-year period, oil companies shall be allowed to import bioethanol but only to the extent of the shortage as may be determined by the NBB.</p> <p>“5.3 Within three months from the effectivity of this Act, a minimum of one percent (1%) biodiesel by volume shall be blended into all diesel engine fuels sold in the country: Provided, That the biodiesel blend conforms to PNS for biodiesel.</p> <p>“Within two years from the effectivity of this Act, the NBB created under this Act is empowered to determine the feasibility and thereafter recommend to DOE to mandate a minimum of two percent (2%) blend of biodiesel by volume which may be increased taking into account considerations including but not limited to domestic supply and availability of locally-sourced biodiesel component.</p>		

<p style="text-align: center;"><b>HOUSE BILL NO. 2180</b></p> <p style="text-align: center;">Rep. Ralph G. Recto</p>	<p style="text-align: center;"><b>HOUSE BILL 7059</b></p> <p style="text-align: center;">Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan</p>	<p style="text-align: center;"><b>PROVISIONAL DIFFERENCES</b></p>	<p style="text-align: center;"><b>STAKEHOLDERS COMMENTS</b></p>
<p><b>"PROVIDED, THAT BEGINNING AUGUST 1, 2022, THE MANDATORY USE OF BIOFUELS IN THIS SECTION SHALL BE SUSPENDED FOR THREE (3) YEARS."</b></p>	<p><b>"PROVIDED, THAT THE PRESIDENT, UPON THE RECOMMENDATION OF THE NBB AND THE DOE, MAY SUSPEND THE IMPLEMENTATION OF THIS SECTION, OR ANY PART THEREOF, THROUGH AN EXECUTIVE ORDER, FOR A PERIOD NOT LONGER THAN ONE (1) YEAR, IF, AS A RESULT OF ITS IMPLEMENTATION, THE PRICE OF BLENDED GASOLINE AND/OR DIESEL ENGINE FUELS WILL BE HIGHER BY AT LEAST FIVE PERCENT (5%) COMPARED TO PURE GASOLINE AND/OR DIESEL ENGINE FUELS."</b></p>	<p>Both House Bill No. 2180 and House Bill No. 7059 provide for the suspension of the implementation of Section 5 of the Biofuels Act, however, House Bill No. 2180 seeks for its immediate suspension for three (3) years, while House Bill No. 7059 proposes that the President upon the recommendation of the NBB and DOE may suspend the implementation of Section 5 for a period not longer than one (1) year.</p> <p><b>Note:</b> Section 5 of RA No. 9367 requires that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuels components, as follows:</p> <ul style="list-style-type: none"> <li>(1) All bioethanol blended gasoline shall contain a minimum of ten percent (10%) bioethanol fuel by volume; and</li> <li>(2) A minimum of two percent (2%) biodiesel by volume to be blended into diesel engine fuels.</li> </ul>	

<p style="text-align: center;"><b>HOUSE BILL NO. 2180</b></p> <p style="text-align: center;">Rep. Ralph G. Recto</p>	<p style="text-align: center;"><b>HOUSE BILL 7059</b></p> <p style="text-align: center;">Rep. Lord Allan Q. Velasco and Rep. Kristine Singson-Meehan</p>	<p style="text-align: center;"><b>PROVISIONAL DIFFERENCES</b></p>	<p style="text-align: center;"><b>STAKEHOLDERS COMMENTS</b></p>
<p>Sec. 4. <b>Implementing Rules and Regulations.</b> – The Department of Energy, in consultation with the National Biofuel Board, the stakeholders and other agencies concerned, shall within thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to effectively implement the provisions of this Act.</p>	<p>Sec. 4. <b>Implementing Rules and Regulations.</b> – The Department of Energy, in consultation with the National Biofuel Board, the stakeholders and other agencies concerned, shall within thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to effectively implement the provisions of this Act.</p>	<p>Same.</p>	
<p>Sec. 5. <b>Repealing Clause.</b> - All laws, decrees, ordinances, rules, regulations, other issuances or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.</p>	<p>Sec. 5. <b>Repealing Clause.</b> - All laws, decrees, ordinances, rules, regulations, other issuances or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.</p>	<p>Same.</p>	
<p>Sec. 6. <b>Effectivity.</b> - This Act shall take fifteen (15) days following its complete publication in two (2) newspapers of general circulation or in the <i>Official Gazette</i>.</p>	<p>Sec. 6. <b>Effectivity.</b> - This Act shall take fifteen (15) days following its complete publication in two (2) newspapers of general circulation or in the <i>Official Gazette</i>.</p>	<p>Same.</p>	

**Issues raised during the meeting conducted by the Committee on Energy on  
07 February 2023 re: Measures Amending the Biofuels Act**

- Lack of feedstock supply
- Use of agricultural lands to produce biofuel which puts a strain on our food security.
- Importation of ethanol due to lack of supply which does not help achieve the aim of the law to spur agricultural development and help local farmers.
- High price of locally produced ethanol as compared to imported ethanol.
- Effect of suspending the biofuel blends to coconut producing provinces and to its farmers.
- Effect of blending in fuel efficiency, measured in mileage per liter.
- Emission produced by pure as against blended fuel.



NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



**HOUSE OF REPRESENTATIVES**

**House Bill No. 2180**

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Introduced by Representative Ralph G. Recto

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**AN ACT  
REDUCING THE PRICE OF FUEL, AMENDING FOR THE PURPOSE SECTION 5  
OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE "BIOFUELS ACT  
OF 2006"**

**EXPLANATORY NOTE**

Republic Act No. 9367, otherwise known as the "Biofuels Act of 2006" mandates that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuel components. Currently, the Philippines implements a blending of at least 10% of bioethanol for gasoline fuel (E10) and 2% biodiesel for diesel fuel (B2). The blending component for bioethanol is ethanol, while for biodiesel, it is coco methyl ester (CME).

The disruption in the global oil and gas supply chain brought about by the Russia-Ukraine conflict has a tremendous impact on the Philippines' oil supply and prices. Average Dubai crude oil price jumped from US\$ 73.19 in January 2022<sup>1</sup> to US\$ 112.30 in June 2022.<sup>2</sup> Since the beginning of the year up to June 2022, prices of gasoline and diesel per liter have gone up by P29.50 and P44.25, respectively.<sup>3</sup>

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<sup>1</sup> Department of Energy. "Briefer on the Current Oil Supply and Price Situation and Implications of the Russian-Ukraine Conflict" 14 March 2022.

<sup>2</sup> <https://ph.investing.com/commodities/dubai-crude-oil-platts-futures-historical-data>. (Accessed 26 June 2022).

<sup>3</sup> Department of Energy. Oil Price Monitor. (Accessed July 6, 2022).

The staggering increase in the price of fuel brought by the skyrocketing global oil prices and higher prices of domestic ethanol paid by some oil companies have aggravated the hardships of the public, especially the consumer, agriculture, manufacturing, and service sectors.

Oil is the lifeblood of the economy, transportation, and power. It is a key input in manufacturing and a major cost factor in the overall price of goods and services. Thus, fuel price increases and their impact on commodity prices in both the international and domestic markets have caused the country's headline inflation rate to rise further to 6.1% in June 2022, the highest recorded inflation since October 2018. The main sources of this acceleration are food and non-alcoholic beverages (6.0%), transportation (17.1%), and alcoholic beverages and tobacco (7.8%).<sup>4</sup>

Hence, the government is pressed to give the public some reprieve and help cushion the unbearable fuel cost and soaring prices of commodities.

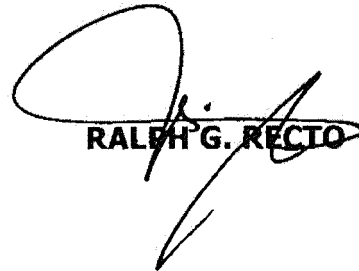
The proposed measure seeks to reduce the retail pump price of fuel by suspending the implementation of the biofuel blend requirement of gasoline and diesel for three (3) years. According to a presentation made by the Independent Philippine Petroleum Companies Association (IPPCA) to the Senate Committee on Energy hearing on March 14, 2022, locally-produced ethanol is much more expensive than imported ethanol with a P21 per liter price difference, while locally-produced CME's price impact on diesel compared to its imported counterpart is P34 per liter. The same IPPCA presentation shows that suspending the mandatory use of biofuels imposed under Section 5 of RA 9367 will reduce the price of gasoline by P1.00 to P1.50 per liter while local diesel would be cheaper by P0.75 to P0.90 per liter.<sup>5</sup>

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<sup>4</sup> Philippine Statistics Authority. Summary Inflation Report Consumer Price Index(2018=100): June 2022. (Accessed July 5, 2022).

<sup>5</sup> Independent Philippine Petroleum Companies Association (IPPCA). Presentation on the Implications of the Russia-Ukraine Conflict. Senate Committee on Energy hearing held on March 14, 2022.

In view of the foregoing, early approval of this proposal is earnestly sought.



**RALPH G. RECTO**

*mjma*

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

**HOUSE OF REPRESENTATIVES**

**House Bill No. 2180**

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Introduced by Representative Ralph G. Recto

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**AN ACT  
REDUCING THE PRICE OF FUEL, AMENDING FOR THE PURPOSE SECTION 5  
OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE "BIOFUELS ACT  
OF 2006"**

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

1 Section 1. *Short Title.* — This Act shall be known as the "*Murang Langis*" Act.

2 Sec. 2. *Declaration of Policy.* — It is hereby declared the policy of the State to  
3 protect public interest by providing reasonably-priced petroleum products to  
4 consumers. Towards, this end, the State shall implement policies and programs to  
5 ensure the delivery of affordable fuel to the public.

6 Sec. 3. Section 5 of Republic Act No. 9367, otherwise known as the "Biofuels  
7 Act of 2006" is hereby amended to read as follows:

8 "SEC. 5. *Mandatory Use of Biofuels.* — Pursuant to the above policy, it  
9 is hereby mandated that all liquid fuels for motors and engines sold in the  
10 Philippines shall contain locally-sourced biofuels components as follows:

11 "5.1 Within two years from the effectivity of this Act, at least five  
12 percent (5%) bioethanol shall comprise the annual total volume of gasoline  
13 fuel actually sold and distributed by each and every oil company in the  
14 country, subject to the requirement that all bioethanol blended gasoline shall  
15 contain a minimum of five percent (5%) bioethanol fuel by volume: Provided,  
16 That the ethanol blend conforms to PNS.

17 "5.2 Within four years from the effectivity of this Act, the NBB created  
18 under this Act is empowered to determine the feasibility and thereafter

1 recommend to DOE to mandate a minimum of ten percent (10%) blend of  
2 bioethanol by volume into all gasoline fuel distributed and sold by each and  
3 every oil company in the country.

4 "In the event of supply shortage of locally-produced bioethanol during  
5 the four-year period, oil companies shall be allowed to import bioethanol but  
6 only to the extent of the shortage as may be determined by the NBB.

7 "5.3 Within three months from the effectivity of this Act, a minimum of  
8 one percent (1%) biodiesel by volume shall be blended into all diesel engine  
9 fuels sold in the country: Provided, That the biodiesel blend conforms to PNS  
10 for biodiesel.

11 "Within two years from the effectivity of this Act, the NBB created  
12 under this Act is empowered to determine the feasibility and thereafter  
13 recommend to DOE to mandate a minimum of two percent (2%) blend of  
14 biodiesel by volume which may be increased taking into account  
15 considerations including but not limited to domestic supply and availability of  
16 locally-sourced biodiesel component.

17 "**PROVIDED, THAT BEGINNING AUGUST 1, 2022, THE**  
18 **MANDATORY USE OF BIOFUELS IMPOSED IN THIS SECTION SHALL**  
19 **BE SUSPENDED FOR THREE (3) YEARS."**

20 *Sec. 4. Implementing Rules and Regulations.* – The Department of Energy, in  
21 consultation with the National Biofuel Board, the stakeholders and other agencies  
22 concerned, shall within thirty (30) days from the effectivity of this Act, promulgate  
23 the rules and regulations to effectively implement the provisions of this Act.

24 *Sec. 5. Repealing Clause.* – All laws, decrees, ordinances, rules, regulations,  
25 other issuances or parts thereof which are inconsistent with this Act are hereby  
26 repealed, amended or modified accordingly.

27 *Sec. 6. Effectivity.* – This Act shall take effect fifteen (15) days following its  
28 complete publication in two (2) newspapers of general circulation or in the *Official*  
29 *Gazette*.

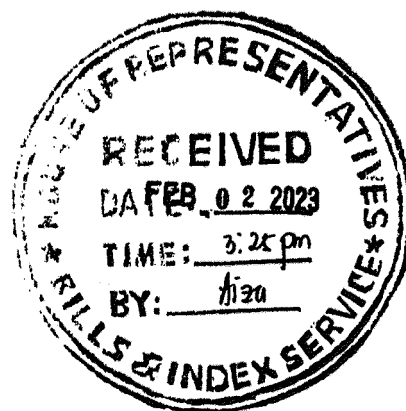
Approved,



Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila

Nineteenth Congress  
First Regular Session

House Bill No. 7059



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Introduced by Representatives Lord Allan Jay Q. Velasco and Kristine Singson-Meehan

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#### EXPLANATORY NOTE

Republic Act (R.A.) No. 9367, also known as the Biofuels Act of 2006, was primarily enacted to spur agricultural development and the transition to a cleaner fuel, among others. Presently, the aforementioned objectives were not totally achieved.


R.A. No. 9367 mandated that locally-produced bioethanol be prioritized in order to provide livelihood to our farmers. Other incentives were included in the law to encourage investments in the production, distribution, and use of locally-produced bioethanol. However, due to our insufficient feedstock supply, we resort to importation. Moreover, increasing locally-produced bioethanol would entail the conversion of more agricultural lands from food production to fuel supply, thereby putting more strain on the country's food security as against its energy needs. Several studies by environmental groups have shown that biofuel production takes a heavy toll on the environment and is hurting the world's poor through higher food prices.

Increasing the biofuel blends would require more bioethanol. Given our perennial lack of raw materials or supply towards this end, this would necessitate more importation of bioethanol which would ultimately be counterproductive to the avowed goal of helping our local farmers. The increase use of land for biofuels would also result in higher prices for food staples such as sugar, exacerbating the already high inflation felt by our kababayans as a result of the double whammy from the current pandemic and the war in Ukraine.

On the other hand, the original standards for more efficient and cleaner fuel had been practically achieved even without biofuels. The advancement in technology in producing today's imported fuel have resulted in less carbon emissions and pollution. It has even met the strict emission standards from Europe and elsewhere. Newer cars and machines are now more efficient in consumption of fuel. Electric vehicles are also now starting to be available locally.

With the price of fuel drastically increasing, adding more burden to lives of ordinary Filipino families, there is an urgent need to revisit R.A. No. 9367 in order to help ease the burden of the consuming public.

  
**HON. ALLAN JAY Q. VELASCO**  
*Representative*  
Lone District, Marinduque

  
**HON. KRISTINE SINGSON-MEEHAN**  
*Representative*  
2<sup>nd</sup> District – Ilocos Sur



Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila

Nineteenth Congress  
First Regular Session

House Bill No. 7059

---

Introduced by Representatives Lord Allan Jay Q. Velasco and Kristine Singson-Meehan

---

**AN ACT**  
**AMENDING SECTION 5 OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS**  
**THE "BIOFUELS ACT OF 2006"**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1 Section 1. *Short Title.* – This Act shall be known as the “*Murang Langis*” Act.

2 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect public  
3 interest by providing reasonably-priced petroleum products to consumers. Towards, this end, the  
4 State shall implement policies and programs to ensure the delivery of affordable fuel to the  
5 public.

6 Sec. 3. Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006” is  
7 hereby amended to read as follows:

8 “Sec. 5. *Mandatory Use of Biofuels.* – Pursuant to the above policy, it is hereby mandated  
9 that all liquid fuels for motors and engines sold in the Philippines shall contain locally-  
10 sourced biofuels components as follows:

11 “5.1 Within two years from the effectivity of this Act, at least five percent (5%)  
12 bioethanol shall comprise the annual total volume of gasoline fuel actually sold and  
13 distributed by each and every oil company in the country, subject to the requirement  
14 that all bioethanol blended gasoline shall contain a minimum of five percent (5%)  
15 bioethanol fuel by volume: Provided, That the ethanol blend conforms to PNS.

16 “5.2 Within four years from the effectivity of this Act, the NBB created under this Act  
17 is empowered to determine the feasibility and thereafter recommend to DOE to mandate



1 a minimum of ten percent (10%) blend of bioethanol by volume into all gasoline fuel  
2 distributed and sold by each and every oil company in the country.

3 "In the event of supply shortage of locally-produced bioethanol during the four-year  
4 period, oil companies shall be allowed to import bioethanol but only to the extent of the  
5 shortage as may be determined by the NBB.

6 "5.3 Within three months from the effectivity of this Act, a minimum of one percent  
7 (1%) biodiesel by volume shall be blended into all diesel engine fuels sold in the  
8 country: *Provided*, That the biodiesel blend conforms to PNS for biodiesel.

9 "Within two years from the effectivity of this Act, the NBB created under this Act is  
10 empowered to determine the feasibility and thereafter recommend to DOE to mandate a  
11 minimum of two percent (2%) blend of biodiesel by volume which may be increased  
12 taking into account considerations including but not limited to domestic supply and  
13 availability of locally-sourced biodiesel component.

14 **"PROVIDED, THAT THE PRESIDENT, UPON THE RECOMMENDATION OF**  
15 **THE NBB AND THE DOE, MAY SUSPEND THE IMPLEMENTATION OF**  
16 **THIS SECTION, OR ANY PART THEREOF, THROUGH AN EXECUTIVE**  
17 **ORDER, FOR A PERIOD NOT LONGER THAN ONE (1) YEAR, IF, AS A**  
18 **RESULT OF ITS IMPLEMENTATION, THE PRICE OF BLENDED**  
19 **GASOLINE AND/OR DIESEL ENGINE FUELS WILL BE HIGHER BY AT**  
20 **LEAST FIVE PERCENT (5%) COMPARED TO PURE GASOLINE AND/OR**  
21 **DIESEL ENGINE FUELS."**

22 *Sec. 4. Implementing Rules and Regulations.* – The Department of Energy, in consultation  
23 with the National Biofuels Board, the stakeholders and other agencies concerned, shall within  
24 thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to  
25 effectively implement the provisions of this Act.

26 *Sec. 5. Repealing Clause* – All laws, decrees, ordinances, rules, regulations, other issuances or  
27 parts thereof which are inconsistent with this Act are hereby repealed, amended or modified  
28 accordingly.

29 *Sec. 6. Effectivity.* – This Act shall take fifteen (15) days following its complete publication  
30 in two (2) newspapers of general circulation or in the *Official Gazette*.

31 Approved,