



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 AND REQUEST FOR COMMENTS FROM THE COMMITTEE ON ENERGY OF THE HOUSE OF REPRESENTATIVES**

DATE : 01 February 2023

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The Committee on Energy of the House of Representatives will conduct a face-to-face meeting on **07 February 2023 (Tuesday), 9:30 A.M. at the Speaker De Venecia Hall, South Wing Annex Building** for the initial 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. 2608 - AN ACT MANDATING THE USE OF ETHANOL AS ALTERNATIVE TRANSPORT FUEL, ESTABLISHING FOR THE PURPOSE THE NATIONAL FUEL ETHANOL PROGRAM, APPROPRIATING FUNDS THEREFOR, authored by Representatives Luis Raymund "Lray" F. Villafuerte, Miguel Luis R. Villafuerte, Tsuyoshi Anthony G. Horibata and Nicolas C. Enciso VIII

In this regard, we would like to **request comments/recommendations on the above-mentioned House Bills**. Kindly submit it **on or before February 6, 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 agenda, 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 - 75

## Invitation to the Committee Meeting of the Committee on Energy on February 07, 2023

From: House Committee on Energy (committee.energy@house.gov.ph)

To: rlotilla@doe.gov.ph; doeph.sec@gmail.com; doeosecph@gmail.com; osec@da.gov.ph; denrlegislative@yahoo.com; osec@denr.gov.ph; dllo@dost.gov.ph; osec@dost.gov.ph; secretary@dti.gov.ph; raffy.capinpin@pip.com.ph; ding.villamayor@pip.com.ph; ippca.secretariat@gmail.com

Cc: lsmsarte@doe.gov.ph

Date: Tuesday, January 31, 2023 at 09:29 PM GMT+8

Dear Sir/Madam,

Please see the attached formal invitation to the Committee Meeting of the Committee on Energy on February 07, 2023, and its meeting materials.

For your reference.

Kindly acknowledge receipt.

Thank you very much.

Very truly yours,

Babeth Marcelo  
Committee on Energy

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64.6kB



HB02180.pdf

1.8MB



HB02608.pdf

427.7kB



DENR.docx

309.4kB



PIP.docx

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## COMMITTEE ON ENERGY

### COMMITTEE MEETING

February 07, 2023 (Tuesday), 9:30 A.M.  
Speaker De Venecia Hall, South Wing Annex Building

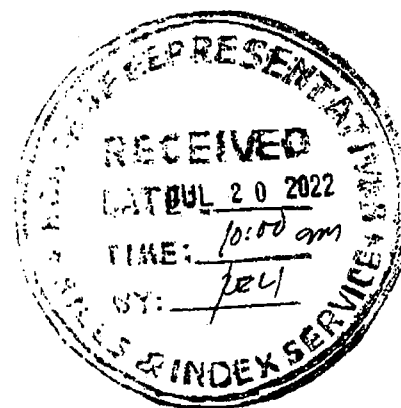
## A G E N D A

- I. Call to Order/Roll Call
  - II. Invocation
  - III. Welcome/Opening Remarks of Energy Chairperson Lord Allan Jay Q. Velasco
  - IV. Acknowledgment of Committee Members and Resource Persons/Guests
  - V. Initial Deliberation on the following Amendment to Biofuels Act measures:
    - **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
    - **HB No. 2608** - AN ACT MANDATING THE USE OF ETHANOL AS ALTERNATIVE TRANSPORT FUEL, ESTABLISHING FOR THE PURPOSE THE NATIONAL FUEL ETHANOL PROGRAM, APPROPRIATING FUNDS THEREFOR, authored by Representatives Luis Raymund "Lray" F. Villafuerte, Miguel Luis R. Villafuerte, Tsuyoshi Anthony G. Horibata and Nicolas C. Enciso VIII
  - VI. Other Matters
  - VII. Adjournment
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#### Invited Resource Persons/Guests:

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. Government Financial Institutions (GFI)
7. National Biofuels Board (NBB)
8. Philippine Institute of Petroleum (PIP)
9. Independent Philippine Petroleum Companies Association (IPPCA)

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**

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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

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 2608



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Introduced by HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.,  
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.  
HORIBATA AND HON. NICOLAS ENCISO VIII

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#### EXPLANATORY NOTE

The dependence of the Philippines on imported petroleum creates a major strategic vulnerability for the nation, with majority of the energy supply of the country reliant on foreign sources. From economically damaging Arab oil embargoes of 1973-1974 and 1979 to the recession precipitated by rising oil prices which began in 1999, the economic stability of the Philippines has too often been shaken by economic forces outside its borders.

This bill seeks to shift Philippines' dependence away from foreign petroleum as an energy source toward alternative, renewable, and domestic agricultural sources. Its aim is to convert the current petroleum trade deficit to a trade balance by replacing foreign sources of supply with steady increases of ethanol fuels through domestic production.

  
LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

  
TSUYOSHI ANTHONY G. HORIBATA

  
MIGUEL LUIS R. VILLAFUERTE

  
NICOLAS ENCISO VIII

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 2608

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Introduced by HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.,  
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.  
HORIBATA AND HON. NICOLAS ENCISO VIII

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AN ACT  
MANDATING THE USE OF ETHANOL AS ALTERNATIVE TRANSPORT FUEL,  
ESTABLISHING FOR THE PURPOSE THE NATIONAL FUEL ETHANOL  
PROGRAM, APPROPRIATING FUNDS THEREFOR

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

**SECTION 1. *Short Title.*** — This Act shall be known as the “*Fuel Ethanol Act.*”

**SECTION 2. *Declaration of Policy.*** — It is declared the policy of the State to (a) ensure a continuous, adequate, and economic supply of energy with the end in view of ultimately achieving energy independence through the integrated and intensive exploration, production, management and development of the country’s indigenous, renewable energy resources, and to (b) pursue economic growth by providing opportunities for generating income, enhancing productivity, and promoting industrialization and employment based on sound agricultural development.

**SECTION 3. *Definition of Terms.*** - As used in this Act, the term:

- (1) “Ethanol” – refers to the biofuel made through fermentation and then distillation of starch and sugar crops such as maize, sorghum, potatoes, wheat, sugar-canes, cornstalks, fruit and vegetable waste.
- (2) “Program” – refers to the National Fuel Ethanol Program.

**SECTION 4. *The Fuel Ethanol Program.* —**

- (1) A fuel ethanol program shall be established nationally to provide for the development, promotion and commercialization of fuel ethanol by implementing policies, mechanisms, and procedures that encourage research and development, technology transfer, and investments in fuel ethanol production, distribution, and utilization.
  
- (2) On the basis of these specifications, the Department of Energy (DOE), in coordination with other government agencies, shall conduct consultations with the various stakeholders including but not limited to oil companies, car manufacturers, and sugar and alcohol industry players.

**SECTION 5. *Implementing and Coordinating Agencies.* —**

- (1) The DOE shall be the lead implementing agency and shall set the policy directions to meet the specific targets of the Program.
  
- (2) The Program shall be established in coordination with relevant government agencies including but not limited to the following agencies and their respective functions in relation thereto:
  - a. DEPARTMENT OF AGRICULTURE (DA). — It shall ensure increased productivity and sustainable supply of ethanol feedstocks. It shall institute a program which would guarantee that a certain percentage of the total national production of sugar shall be allocated for fuel ethanol production;
  - b. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR). — It shall facilitate the issuance of Environmental Compliance Certificates and other requirements related to the Fuel Ethanol Program and provide technical support related to emissions testing and standard-setting of ethanol vehicles with the view to improve the air quality;
  - c. DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST). — It shall provide R&D and technical support in propagating feedstock cultivation and fuel ethanol production;

- d. DEPARTMENT OF TRADE AND INDUSTRY (DTI). — It shall ensure the inclusion in its Motor Vehicle Development Program the development and promotion of the manufacture and/or investment in production of gasoline-fed vehicles that could effectively utilize up to 25% ethanol blend;
- e. GOVERNMENT FINANCING INSTITUTIONS (GFIs). — GFIs shall make available preferential financing to investment/developmental activities with the view to accelerate the development of the fuel ethanol industry.

**SECTION 6. *Implementing Rules and Regulations.*** — The DOE shall, in consultation with the relevant government agencies mentioned in the preceding section, industry participants, non-governmental organizations and end-users, promulgate the implementing rules and regulations of this Act, within six (6) months from the effectivity of this Act.

**SECTION 7. *Fuel Ethanol Fund.*** — One percent (1%) of the total excise tax collected from the sale of fuel ethanol shall be set aside by the Bureau of Internal Revenue (BIR) to constitute a Fuel Ethanol Fund to support the development, promotion and commercialization of fuel ethanol. This fund shall be managed and administered by the DOE for these purposes.

**SECTION 8. *Penalty Clause.*** — The DOE shall formulate and promulgate appropriate penalties for any person or entity that willfully violates rules and regulations provided in this Act.

**SECTION 9. *Separability Clause.*** — If any provision or part hereof, is held invalid or unconstitutional, the remainder of the Act or the provision not otherwise affected shall remain valid and subsisting.

**SECTION 10. *Repealing Clause.*** - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

**SECTION 11. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*