

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session
HOUSE BILL NO. 7017



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

EXPLANATORY NOTE

The Philippines' air pollution is at the critical level. Metro Manila alone records a total suspended particulate (TSP) of 130-250 micrograms per normal cubic meter, way above the World Health Organization's defined standard level of 90 micrograms per normal cubic meter.

According to the Department of Environment and Natural Resources, around 80% of the air pollution in the country comes from motor vehicles.

While the country has enacted and implemented laws to help attain clean and healthy air quality, this Representation finds the need to provide the citizens with an alternative mode of transportation in order to preserve the environment and the health of the Filipino people.

Thus, it is imperative for the State to promote, encourage, and support the mainstream use of electric, hybrid, and other alternative fuel vehicles in order to develop a transportation landscape that is one with the environment, ecologically and economically.

In line of the foregoing, the passage of this bill is earnestly sought.


ALFRED VARGAS

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AN ACT
PROMOTING THE MAINSTREAM USE OF ELECTRIC, HYBRID AND OTHER
ALTERNATIVE FUEL VEHICLES AND FOR OTHER PURPOSES

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

SECTION 1. Title. - This Act shall be known as the "Electric, Hybrid and Other Alternative Fuel Vehicles Promotions Act."

SEC. 2. Declaration of Policy. - It is the policy of the State to safeguard life and environment by encouraging the use of alternative source of energy for vehicles intended for public and public use. To protect the well-being and promote the economic condition of the people as well as to promote energy independence and security in the midst of development and innovation in technology, the following are hereby declared:

- a) It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony in nature. The State shall recognize and address the detrimental effects on the environment, safeguard the welfare, and protect the health of the people in improving air quality and by reducing the impact of greenhouse gas effects emitted from man-made sources such as vehicles operating on fossil fuels;
- b) The State supports the need to promote the development of new technology to accelerate social progress and promote human development. The use of alternative sources of energy on vehicles intended for public and private use is encouraged to promote innovation, energy efficiency, security and observation and to speed-up the deployment of cleaner technology; and
- c) The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments. To

accelerate economic growth and generate employment, the State shall provide incentives to private enterprises and individuals engaged in the manufacture, assembly, conversion, and importation of electric, hybrid and other clean energy vehicles.

SEC.3. Definition of Terms. As used herein, the following shall mean:

- a) **Electric Vehicle (EV)** refers to any vehicle that uses electric motors solely for propulsion.
- b) **Hybrid Vehicle (HV)** refers to any vehicle that combines the technologies of using internal combustion engine (ICE) with a battery- powered electric motor gaining advantages of both propulsion systems.
- c) **Importer** refers to any individual, partnership, corporation or other entity engaged in the importation of completely built units (CBUs) of electric, hybrid and other alternative fuel vehicles incorporated, organized and existing under Philippine laws.
- d) **Manufacturer or Assembler** refers to any individual, partnership, corporation or other entity engaged in the manufacture, assembly and conversion of electric, hybrid and other alternative fuel vehicles incorporated, organized and under Philippine laws.
- e) **Other Alternative Fuel Vehicles (AFV)** refers to any vehicles using alternative fuel such as but not limited to: solar, wind, hydrogen fuel cell, compressed natural gas (CNG) or liquefied natural gas (LNG), methane and liquefied petroleum gas (LPG), other than conventional sources of energy like petroleum and gasoline for propulsion.

SEC.4. Coverage. This Act shall cover electric, hybrid and alternative fuel vehicles but shall not include vehicles powered by gasoline, petroleum, and gasoline for propulsion.

SEC. 5. Creation of Coordinating Council for Promotion of Electric, Hybrid and Other Alternative Fuel Vehicles - The Department of Trade and Industry (DTI) shall constitute a Coordinating Council for Electric, Hybrid and other Alternative Fuel Vehicles as a sub-committee under the Industry Development Council (IDC), to expedite identification, prioritization, and resolution of issues affecting the entire supply chain of the electric vehicle, hybrid and alternative fuel vehicle industry by formulating a shared implementation plan and monitoring system.

SEC. 6. Composition of the Council. - The Council shall be composed of the following members:

- a. **Secretary of Trade and Industry – Chairperson;**
- b. **Secretary of Transportation – Vice- Chairperson;**
- c. **Secretary of Energy – Vice- Chairperson;**
- d. **Secretary of Finance – Member;**
- e. **Secretary of the Interior and Local Government – Member;**
- f. **Secretary of Science and Technology – Member;**
- g. **Three (3) Representatives from the Industry Sector to be elected by the Council;**
- h. **Three (3) Representatives from the Civil Society to be elected by the Council;**

Representatives from the other agencies of the government may be invited as resource persons during the meetings of Council.

SEC. 7. Duties and Responsibilities of the Council. – The Council shall have the following duties and responsibilities:

1. Formulate incentives to address the high acquisition cost of electric vehicles, hybrid and other alternative fuel vehicles and operating cost of supporting infrastructures particularly charging stations;
2. Develop and recommend standards and specifications which address the performance, quality and safety issues of electric vehicles, battery, charging stations and connectors, and repair and maintenance in accordance with international standards;
3. Review and recommend appropriate classification for electric, hybrid and other alternative fuel vehicles and the corresponding parameters for Motor Vehicle Inspection System (MVIS) approval;
4. Review and recommend policy for allowing the entry of and promoting electric, hybrid and other alternative fuel vehicles fleet operation;
5. Recommend modalities for the utilization of the Special Vehicle Pollution Control Fund (SVPCF), a special trust account managed by the Road Board created by virtue of Republic Act No. 8794, or any sources of funds to implement air quality improvement projects involving the use of electric, hybrid and other alternative fuel vehicles;
6. Coordinate with the local government units (LGUs) in identifying and allocating land and property within their locality for use as public charging station for electric or hybrid vehicles or refueling stations for alternative fuel vehicles;
7. Coordinate with the electric power industry stakeholders, particularly the Energy Regulatory Commission (ERC) and electric distribution utilities and cooperatives, in the preparation of their electric systems

and network to accommodate the connection of electric or hybrid vehicles, changing equipment and stations;

8. Undertake Information and Education Campaign (IEC) on the proper use, maintenance, repair and disposal of electric, hybrid and alternative fuel vehicles; and
9. Monitor resolution of issues affecting the electric, hybrid and alternative fuel vehicle and undertake action as may be determined by Council.

SEC. 8. Incentives to Users of Electric, Hybrid and Other Alternative Vehicles.

- a. **Priority in Registration and Issuance of Plate Number.** – Registration and renewal of registration of electric, hybrid and alternative fuel vehicles shall be prioritized by the Land Transportation Office (LTO) for nine (9) years from the effectivity of this Act. A special type of vehicle plate to be prescribed by the LTO shall be exclusively issued to all electric, hybrid and other alternative fuel vehicles upon registration;
- b. **Priority in Franchise Application.** – Public Utility Vehicle (PUV) operators exclusively utilizing electric, hybrid and other clean energy vehicles shall be granted priority by the Land Transportation Franchising and Regulatory Board (LTFRB) in the approval of applications for franchise to operate, including its renewal, for nine (9) years from the effectivity of this Act;
- c. **Exemption from Unified Vehicular Volume Reduction Program (UVVRP) or Number Coding Scheme.** – All electric, hybrid and other clean energy vehicles shall, for nine years (9) from the effectivity of this Act, be exempted from the mandatory Unified Vehicular Volume Reduction Program (UVVRP) or Number Coding Scheme being implemented by the Metro Manila Development Authority (MMDA) and other local government units (LGUs).
- d. **Provision for Free Parking Spaces in New Establishments.** – Business and commercial establishments to be constructed after the effectivity of this Act are mandated to provide exclusive parking spaces free of charge for all electric, hybrid and alternative fuel vehicles. No building permit shall be issued for the construction of business and commercial establishments that include parking spaces unless the owner submits an affidavit that there shall be free parking spaces to be exclusively be designated for electric, hybrid and alternative fuel vehicles for nine years (9) from the effectivity of this Act.

SEC. 9. *Implementing Rules and Regulations.* The Department of Trade and Industry (DTI), in coordination with relevant government agencies, shall promulgate the necessary rules and regulations within sixty (60) days after the implementation of this Act.

SEC. 10. *Monitoring.* – The Department of Trade and Industry (DTI) shall be responsible for the administration and Implementation of the non-fiscal incentives granted under this Act.

SEC. 11. *Administrative Support.* The Department of Trade and Industry (DTI) shall provide overall administrative support to the Council by appropriating the corresponding budget needed for the effective implementation of this Act.

SEC. 12. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

SEC.13. *Repealing Clause.* – all other laws, order, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. *Effectivity Clause.* This Act shall take effect fifteen (15) days following its publications in at least two (2) newspapers of general circulation or the Official Gazette

Approved,