

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7298



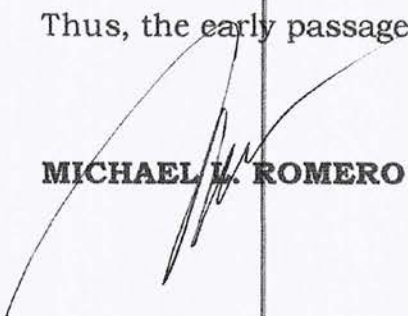
**Introduced by Representatives Michael L.
Romero and Enrico A. Pineda**

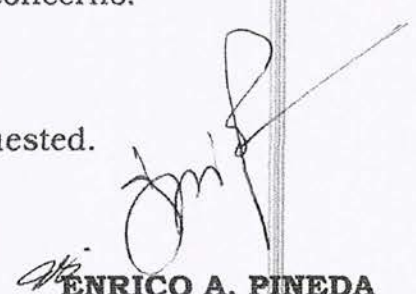
EXPLANATORY NOTE

In the Republic of the Philippines, it is hereby a declared policy of the state to ensure a continuous, adequate, and economic supply of energy with the end in view of ultimately achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management, and development of the country's indigenous energy resources, and through the judicious conservation, renewal and efficient utilization of energy to keep pace with the country's growth and economic development and taking into consideration the active participation of the private sector in the various areas of energy resource development.

This House Bill seeks to create a **comprehensive national energy program and regulatory structure** to rationalize, integrate, and coordinate the various programs of the government towards self-sufficiency and enhanced productivity in power and energy without sacrificing ecological concerns.

Thus, the early passage of this bill is earnestly requested.


MICHAEL L. ROMERO


ENRICO A. PINEDA

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AN ACT

**CREATING A COMPREHENSIVE NATIONAL ENERGY
PROGRAM AND REGULATORY STRUCTURE, TO FOSTER
THE USE OF ELECTRIC VEHICLES, TO ESTABLISH
ELECTRIC CHARGING STATIONS, AND FOR OTHER
PURPOSES**

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

Chapter I

General Provisions

SECTION 1. TITLE - This Act shall be known as the " **Electric
Vehicles and Charging Stations Act of 2020.** "

SECTION 2. DECLARATION OF POLICY - It is hereby a declared
policy of the state to:

- (a) To ensure and accelerate the total electrification of the country;

- (b) To ensure the quality, reliability, security and affordability of the supply of electric power;
- (c) To ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market;
- (d) To enhance the inflow of private capital and broaden the ownership base of the power generation, transmission and distribution sectors in order to minimize the financial risk exposure of the national government;
- (e) To ensure fair and non-discriminatory treatment of public and private sector entities in the process of restructuring the electric power industry;
- (f) To protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power;
- (g) To assure socially and environmentally compatible energy sources and infrastructure;
- (h) To promote the utilization of indigenous and new and renewable energy resources in power generation in order to reduce dependence on imported energy;
- (i) To provide for an orderly and transparent privatization of the assets and liabilities of the National Power Corporation (NPC).
- (j) To establish a strong and purely independent regulatory body and system to ensure consumer protection and enhance the competitive operation of the electricity market; and
- (k) To encourage the efficient use of energy and other modalities of demand side management.

SECTION 3. BASELINE. The state shall foster all activities and projects relative to the exploration, extraction, production, importation-exportation, processing, transportation, marketing, distribution, utilization, conservation, stockpiling, or storage of all forms of energy products and resources.

SECTION 4. ENERGY CONSERVATION. All programs should involve all levels of government that will collaborate in adopting policies, programs, and rules for its successful implementation.

The state is in the best position to initiate energy conservation and its an appropriate take off point for a more comprehensive government program that will involve private households, non-government sectors, and commercial establishments.

SECTION 5. GOVERNMENT INITIATIVE. This shall be a tool to inform and raise awareness of the public to global change and the need to conserve energy and stimulate participation from the public and private sectors.

SECTION 6. PUBLIC INTEREST. The state has acknowledged that harmful effects of higher energy prices can countervailed by diligent and aggressive efforts at energy efficiency, resource conservation, and collaboration among all stakeholders.

It is in the public interest to devise cost-effective energy-conservation measures and alternative and efficient methods of energy-use to be primarily implemented in government and publicly-owned assets.

SECTION 7. SCOPE AND LIMITATION. This Act shall apply to all the manufacture, importation, installation, utilization, and regulation of electric vehicles, charging stations, batteries and other relevant parts and components that are deemed relevant.

SECTION 8. STATE PROTOCOLS. All regulations related to the use of EVs and the establishment of charging stations shall be structured to facilitate the creation of an enabling environment for equitable and non-discriminatory private sector participation, with preference for indigenous technologies, to attain the long-term goal of stable energy prices and energy sufficiency.

Chapter II

Role of Government Agencies

SECTION 9. RESPONSIBILITY OF THE DEPARTMENT OF ENERGY (DOE). The DOE shall be the primary agency tasked with the promotion of the adoption of EVs and the development of charging infrastructure.

the DOE shall:

- i. Harmonize existing policies and promulgate uniform and streamlined rules, regulations, and standards on the use, operations, and maintenance of charging stations, in coordination with other concerned agencies, to include the accreditation of charging station service providers and requirements by DUS on charging station service providers;
- ii. Develop and update the EV and charging stations component of the CREV in coordination with the DOTr, Department of Trade and Industry (DTI), 1 Department of Environment and Natural Resources (DENR), Department of Public Works and Highways (DPWH), LGUs and other relevant national government agencies (NGAs). The component shall be finished not later than the 30th of May of every year;
- iii. Develop and update the CREV by compiling its various components. The CREV shall be released to the public not later than the 30th of September of every year;
- iv. Harmonize existing guidelines and issuances related to the promotion of the adoption of EVs and charging stations, and issue plans and programs on the same;
- v. Implement, together with DOTr and DTI, plans and program pursuant to this Act through information, education, communication, and demonstration campaigns consistent with the CREV;
- vi. Regularly accredit charging station service providers, and publish on its website an annual inventory of all accredited charging station service providers and a list of all public charging stations in the country;

- vii. Require DUS to submit their respective charging infrastructure development plans as part of their Distribution Development Plans not later than 30th of August of every year;
- viii. Enforce compliance with mandatory open access installation of charging stations as required under this Act;
- ix. Ensure charging stations are compliant with the Philippine Electrical Code, Philippine Distribution Code, and other relevant standards;
- (x.) Aggregate and centralize data from ERC, DTI, DOTr, DENR, Land Transportation Office (LTO), Land Transportation Franchising and Regulatory Board (LTFRB), Metro Manila Development Authority (MMDA), Philippine Competition Commission, LGUs, and other relevant NGAs insofar as EVs and charging stations are concerned;
- (xi.) Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

SECTION 10. RESPONSIBILITY OF THE ENERGY REGULATORY COMMISSION (ERC). In addition to its functions under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001,

the ERC shall:

- 1. Promulgate uniform and streamlined rules and requirements for self-generating charging stations and centralized vehicle-to-grid facilities;
- 2. Regulate the rates charged by DUS on all charging stations, among others, the utilization of the charging station, the promotion of efficiency, the unique requirements of charging stations, and its effect on the DU's demand profile and distribution system;
- 3. Mandate the unbundling of charging fees;
- 4. Exercise exclusive jurisdiction over all matters that pertain to rate setting in this Act; and
- 5. Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

SECTION 11. RESPONSIBILITY OF THE DEPARTMENT OF TRANSPORTATION (DOTr). The DOTr shall be the primary agency tasked with the development of EV demand generation, and the regulation, registration, and franchising of EVs. Towards this end, the DOTr shall:

1. Coordinate with the DOE and other relevant NGAs in the preparation of the EV and charging stations component of the CREV;
2. Issue relevant policies on the use, operations, inspection, registration, and franchising of EVs;
3. Conduct information, education, communication, and demonstration campaigns, together with the DOE and DTI;
4. Mandate the inclusion of green routes in the respective Local Public Transport, Route Plans of the LGUs; and
5. Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

SECTION 12. RESPONSIBILITY OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI). The DTI shall be the primary agency tasked with industry development of EVs, charging stations, parts and components, and batteries.

the DTI shall:

1. Formulate relevant Philippine National Standards for consumer protection and trade facilitation, and conduct a regular review of these standards for possible revision or updating to align with developments in trade and latest technology of EVs;
2. Regulate the quality and safety of the parts and components of EVs, charging stations, and batteries by implementing relevant standards to ensure the manufacture, production, and distribution of quality products for the protection of the consumer;
3. Develop and update the manufacturing component of the CREV, in coordination with DOE, DOTr, Board of Investments (BOI), and other relevant NGAs with a focus on EV, charging stations, parts and components, and battery
4. manufacturing. The manufacturing component shall be submitted to the DOE
5. not later than the 30th of May of every year;
6. Develop and update the human resource development component of the CREV, in coordination with the Department of Labor and Employment, Technical Education and Skills Development Authority,

Commission on Higher Education, and other relevant NGAs. The human resource development component shall be submitted to the DOE not later than the 30th of May of every year;

7. Coordinate with the DOE and other relevant NGAs in the preparation of the EV and charging stations component of the CREV;
8. Develop, in coordination with the BOI and other relevant NGAs, the EV incentive strategy pursuant to this Act; and
9. Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

SECTION 13. RESPONSIBILITY OF THE LOCAL GOVERNMENT

UNITS (LGUS). In addition to its functions under existing laws, LGUs shall:

1. Identify green routes in their respective Local Public Transport Route Plans consistent with the National Transport Policy;
2. Include the electrification of PUVs in their respective development plans;
3. Issue Certificates of Inspection to charging stations;
4. Submit to DOE not later than 30th of January of every year the list of all charging stations in their respective localities; and
5. Ensure compliance of public and private buildings and establishments with accordance to this Act.

SECTION 14. RESPONSIBILITY OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR).

In addition to its functions under existing laws, the DENR shall, in consultation with the DOE, DOTr, DTI, and other public and private stakeholders, promulgate rules and guidelines on the recycling and disposal of EVs, charging stations, parts and components, and batteries. The DENR, in coordination with the DOTr, shall include EVs in the comprehensive air pollution management and control program from motor vehicles including greenhouse gas emissions monitoring in accordance with Republic Act No. 8749, otherwise known as the Clean Air Act of 1999.

SECTION 15. RESPONSIBILITY OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH). In addition to its functions under existing laws, the DPWH shall establish guidelines on the following:

- a. Construction of charging stations and other EV support infrastructure in buildings and other establishments; and
- b. Issuance of permits for the construction or renovation of buildings or establishments pursuant to this Act.

SECTION 16. RESPONSIBILITY OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST). In addition to its functions under existing laws, the DOST shall develop and update the research and development component of the CREV, in consultation with the DTI and other relevant NGAs. The research and development component shall be submitted to the DOE not later than the 30th of May of every year.

Chapter III

Demand Generation and Industry Development

SECTION 17. MANDATORY EV SHARE IN CORPORATE AND GOVERNMENT FLEETS. The following entities shall ensure that at least five percent (5%) of their fleet shall be EVs within the timeframe indicated in the CREV: Provided, That the CREV shall provide a timeline for the gradual increase of such percentage until the entire fleet is fully electrified:

- (a) Industrial and commercial companies such as cargo logistics companies, food delivery companies, tour agencies, hotels, power utilities, and water utilities;
- (b) Public transport operators, including buses, jeepneys, tricycles, taxis, and transport network vehicle services; and
- (c) LGUs, NGAs, and government-owned and controlled corporations: Provided, That the electrification of government fleets shall be considered compliance with Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act.

SECTION 18. OPEN ACCESS INSTALLATION OF CHARGING STATIONS IN DEDICATED PARKING SLOTS. Dedicated parking slots built in accordance with this Act shall be installed with a charging station:

Provided, That the owner of the private or public building or establishment shall allow a third party charging station service provider to install, operate, or maintain the charging station, or enter into any other contractual arrangement with such third party charging station service provider in fair, reasonable, and nondiscriminatory terms:

Provided further, That the owner of the private or public building or establishment may act as its own charging station service provider by constituting itself as a charging station service provider pursuant to the provisions of this Act:

Provided finally, That if a DU engages in the business of a charging station service provider, it shall do so in accordance with Section of Republic Act No. 9136 as implemented by ERC through its applicable rules and guidelines on business separation and unbundling.

SECTION 19. DEDICATED PARKING SLOTS FOR ELECTRIC VEHICLES IN PRIVATE AND PUBLIC BUILDINGS AND ESTABLISHMENTS.

Private and public buildings and establishments constructed after the effectivity of this Act and pursuant to the National Building Code of the Philippines shall designate dedicated parking slots for the exclusive use of EVs:

Provided, That the number of dedicated parking slots shall be proportional to the total number of parking slots within the building or establishment:

Provided further, That the use of dedicated parking slots by vehicles other than EVs shall be punishable under Section of this Act:

and streamlined permitting process for the installation, operation, maintenance, replacement, and removal of charging stations:

Provided, That the process shall be covered by the provisions of Republic Act No. 11234, otherwise known as the Energy Virtual One-Stop Shop Act.

SECTION 23. DUTIES AND RESPONSIBILITIES OF CHARGING STATION SERVICE PROVIDERS. charging station service provider shall have the following duties and responsibilities:

- (1) Comply with the rules, requirements, and standards of the DOE and ERC in accordance with this Act, and permits and licenses of government agencies and LGUs in accordance with this Act;
- (2) Pay the DU for electricity consumption from the use of the charging station in cases where the charging station service provider is the owner or operator of the charging station; and
- (3) Regularly submit to the ERC an unbundled structure of the charging fees imposed on EV users, in the case of public charging stations owned or operated by the charging station service provider.

SECTION 24. GREEN ROUTES. Green routes shall be created or identified by LGUs in their respective localities and approved by the DOTr in accordance with this Act.

SECTION 25. SAFETY, HEALTH, AND ENVIRONMENT. All manufacturers, assemblers, importers, charging station service providers, operators of testing facilities, and users of EVs and charging stations shall comply with all relevant health, safety, and environmental laws, rules, and regulations related to the manufacture, assembly, installation, operation, and utilization of EVs and charging stations.

Chapter IV

Assistance and Incentives

SECTION 26. FISCAL INCENTIVES.

(1) Manufacturing

The following activities shall be included in the annual Investment Priorities Plan (IPP) of the BOI and shall be entitled to the incentives provided under Executive Order No. 226, otherwise known as Omnibus Investment Code of 1987, and other applicable laws for ten (10) years from the effectivity of this Act:

Provided, That after the aforementioned period, the inclusion of these activities in the annual IPP shall be reviewed and may be extended by the BOI: Manufacture and assembly of EVs, charging stations, and parts and components; and The establishment and operations of charging stations.

In addition, the DTI, in coordination with BOI, shall craft and implement an EV incentive strategy, as part of the manufacturing component of the CREV, similar Executive Order No. 182 series of 2015, otherwise known as the Comprehensive Automotive Resurgence Strategy Program. The incentive strategy shall:

Narrow the cost gap between EVs and traditional motor vehicles and enable the shift of the local traditional motor vehicle industry to EVs;

Provide time-bound, targeted, performance-based, and transparent fiscal and non-fiscal support in order to attract EV and EV parts manufacturing, particularly electronic parts and other strategic components, batteries, charging stations, and the establishment of testing facilities; and

Set local production targets to be achieved within seven (7) years from the promulgation of the incentive strategy, subject to extension as determined by the DTI.

The DTI, in coordination with the BOI, shall establish the application and selection process for enrollment and qualification of participants, imposing such terms and conditions as it may deem necessary to promote the objectives of the incentive strategy.

(2) Importation

The importation of completely built units of EVs and charging stations shall be exempt from the payment of excise taxes, duties, and value-added tax (VAT) for nine (9) years from the effectivity of this Act:

Provided, That in the case of imported electric jeepneys and electric tricycles, the Department of Finance, upon recommendation of the BOI, may suspend the exemption in order to protect local manufacturers.

(3) Utilization

The following shall be granted the following fiscal incentives, which shall be available for nine (9) years from the effectivity of this Act:

Exemption from the payment of VAT in the purchase of EVs and charging equipment; and

A thirty percent (30%) discount from the payment of the motor vehicle user's charge imposed by the LTO under Republic Act No. 8794, otherwise known as Motor Vehicle User's Charge Act, as well as vehicle registration and inspection fees.

SECTION 27. NON-FISCAL INCENTIVES. EV users shall be granted the following non-fiscal incentives, which shall remain in force for nine (9) years from the effectivity of this Act:

- (1) Expeditious registration and renewal of registration, and issuance of a special type of vehicle plate by the LTO;
- (2) Exemption of electrified PUVs from the mandatory unified vehicular volume reduction program, number-coding scheme, or other similar schemes implemented by the MMDA, other similar agencies, and LGUs; and
- (3) Expeditious processing by the LTFRB of applications for franchise to operate, including its renewal, for PUV operators that are exclusively utilizing EVs.

SECTION 28. FINANCIAL ASSISTANCE. Government financial institutions and other financial institutions, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, are encouraged to provide concessional financial packages for entities engaged in the activities mentioned in this Act, and preferential interest rates and

payment scheme on consumer loans for the acquisition of EVs and electric charging stations.

SECTION 29. ROLE OF THE BANGKO SENTRAL NG PILIPINAS.

The Bangko Sentral ng Pilipinas (BSP) shall encourage banks to lend a certain percentage of their portfolio to EV, charging stations, and battery manufacturers, assemblers, and end users:

Provided, That financing packages for EV fleets shall Be prioritized and the procedure shall be streamlined.

Chapter V

Miscellaneous Provisions

SECTION 30. CREATION OF DEDICATED OFFICES. The DOE, DOTr, and DTI shall establish dedicated offices for the effective implementation of this Act. The organizational structure and staffing complement shall be determined by the Secretaries of DOE, DOTr, and DTI, in consultation with the Department of Budget and Management, and in accordance with existing civil service rules and regulations.

SECTION 31. BUDGETARY REQUIREMENTS. The sum necessary for the establishment of the dedicated offices shall be taken from the current appropriations of each agency concerned. Thereafter, the funding for the dedicated offices shall be included in the annual General Appropriations Act (GAA).

SECTION 32. PENALTIES AND SANCTIONS. The DOE, DOTr, and DPWH shall impose fines and penalties upon any person, both natural and juridical, found guilty of violating in any Sections of this Act.

The fines and penalties shall not be less than Two Hundred Fifty thousand pesos **(P250,000.00)** and may include suspension or revocation of permits issued:

Provided,

That this is without prejudice to the penalties provided under existing regulations prescribed by other concerned agencies. The DOE, DOTr, and DPWH, in coordination with the DTI, DILG, and DENR shall issue appropriate rules and regulations on the imposition of these fines and penalties.

SECTION 33. CONGRESSIONAL OVERSIGHT. The Joint Congressional Energy Commission (JCEC) shall exercise oversight powers over implementation of this Act. The DOE, DOTr, DTI, and other relevant NGAs shall submit the CREV and a report on the implementation of this Act to the JCEC not later than the 1st day of December of every year.

SECTION 34. IMPLEMENTING RULES AND REGULATIONS. The DOE together with the DOTr, in coordination with DTI, and in consultation with other relevant NGAs and public and private stakeholders, shall issue the implementing rules and regulations of this Act within Ninety **(90)** days upon its effectivity.

SECTION 35. TRANSITORY PROVISION. Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 36. REPEALING CLAUSE. All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 37. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 38. EFFECTIVITY CLAUSE. This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,