

Republic of the Philippines
HOUSE OF REPRESENTATIVES

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7607



Introduced by HONORABLE WES GATCHALIAN

AN ACT
PROVIDING THE NATIONAL ENERGY POLICY AND REGULATORY
FRAMEWORK FOR THE USE OF ELECTRIC VEHICLES AND THE
ESTABLISHMENT OF ELECTRIC CHARGING STATIONS

EXPLANATORY NOTE

This proposed measure, to begin with, stands on a constitutional provision that mandates the state to “*protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.*”¹ In line with this mandate, the Philippines, through the Senate, ratified the Paris Agreement on Climate Change on 23 March 2017, which aims to “keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.”²

However, according to the 2019 report of IQAir, the Philippines had an Air Quality Index (AQI) of 63 (i.e., the level of health concern is moderate), a notch above the World Health Organization exposure recommendation (i.e., an AQI from 50 and below is recommended).³ In the 2018 Annual report of the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB), it was shown that the majority (at 65%) of air pollutants came from mobile sources such as cars, motorcycles, trucks and buses.⁴

The Duterte Administration, in July 2019, acknowledged that continued coal dependence is one of the key reasons why the Philippines has not been on track to meet its Nationally Determined Contribution (NDC) target in the Paris Agreement (i.e., 70% below BAU⁵ by 2030).⁶ In April 2019, the president signed into law Republic Act No. 11285, or the Energy Efficiency and Conservation Act, which established the

¹ CONST. art II, §16.

² The United Nations Climate Change. (2020). The Paris Agreement. Retrieved from <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

³ IQ Air. (2020). Air Quality in the Philippines. Retrieved from <https://www.iqair.com/us/philippines>

⁴ Department of Environment and Natural Resources - Environmental Management Bureau. (2019). Annual Report CY 2018. Retrieved from <https://emb.gov.ph/wp-content/uploads/2019/04/EMB-ANNUAL-REPORT-FOR-CY-2018.pdf>

⁵ Business As Usual (BAU) is a scenario for future patterns of activity which assumes that there will be no significant change in people's attitudes and priorities, or no major changes in technology, economics, or policies, so that normal circumstances can be expected to continue unchanged.

⁶ Official Gazette. (2019). Rodrigo Roa Duterte, Fourth State of the Nation Address, July 22, 2019. Retrieved from <https://www.officialgazette.gov.ph/2019/07/22/rodrigo-roa-duterte-fourth-state-of-the-nation-address-july-22-2019/>

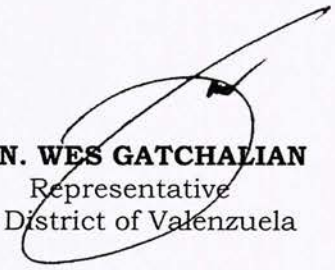
general governance and strategies to improve energy use in the nation, with the Department of Energy (DOE) as the lead agency.⁷

Evidently, gradually shifting to renewable sources of energy (renewables) in order to diversify the power mix can address the Philippines' problem on energy supply.⁸ Renewables can enhance the energy reliability, reduce emissions, while supporting the target of the administration to reach 100% electrification by 2022.⁹ One of the trends today that promotes renewable energy is **electric vehicles**. The Philippine government has been promoting the use of electric vehicles. For instance, Executive Order No. 488, series of 2006, supports the manufacturing of e-vehicles, as well as to further reduce the country's fossil fuel consumption.¹⁰ This issuance reduced the tariff rate for e-vehicle components to zero, thereby allowing e-vehicle manufacturers to import components at a more affordable price.¹¹

On the *public sector*, the Community Optimized Managed Electric Transport (COMET) jeepneys, by Global Electronic Transport (GET), has been operating in 2014 in Metro Manila.¹² The Public Utility Vehicle Modernization Program (or the Jeepney Modernization Program) of the Department of Transportation (DOT) requires replacement vehicles to have either a Euro-4 compliant engine or an electric engine to lessen pollution.¹³ On the *private sector*, while electronic bicycles and scooters have been available in the market for quite some time now, their demand increased at the height of the pandemic where common public modes of transportation are unavailable.

This proposed measure creates a national policy and framework to encourage the uptake of electric vehicles in the public and private sector, which includes: (1) mandating all gasoline stations as well as public and private establishments to have designated parking areas for EVs; (2) requiring all designated EV parking areas to be installed with charging stations; (3) establishing an accreditation mechanism for all charging station service providers; (4) creating green routes exclusive to electric public utility vehicles; (5) including domestic EV manufacturing in the Investment Priorities Plan; and (6) providing value added tax exemption for purchase of electric vehicles.

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



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⁷ Rep. Act No. 11285 (2018).

⁸ Climate Action Tracker. (2019). Philippines. Retrieved from <https://climateactiontracker.org/countries/philippines/>

⁹ Lucas. (2016). DOE aims for 100% electrification by 2020. *Inquirer*. Retrieved from <https://business.inquirer.net/216153/doe-aims-for-100-electrification-by-2020>

¹⁰ Exec. Order No. 488 (2006).

¹¹ Department of Trade and Industry and Board of Investments. (no date). E-Vehicles. Retrieved from industry.gov.ph/industry/e-vehicles/

¹² Ranada. (2013). Welcome E-shuttle, bye-bye PH jeepney. *Rappler*. Retrieved from <https://rappler.com/nation/e-shuttle-comet-ph-jeepney>

¹³ DOTr Dep't Order No. 2017-011 (2017). Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance, § 5.2.1.

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AN ACT
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FRAMEWORK FOR THE USE OF ELECTRIC VEHICLES AND THE
ESTABLISHMENT OF ELECTRIC CHARGING STATIONS AND APPROPRIATING
FUNDS THEREFOR

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be referred to as the “Electric Vehicles and Charging Stations Act.”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to:

- (a) Ensure the country’s energy security and independence by reducing reliance on imported fuel for the transportation sector;
- (b) Promote and support innovation in clean, sustainable, and efficient energy to accelerate social progress and human development by encouraging public and private use of new and alternative energy technologies;
- (c) Safeguard and improve the integrity, reliability, and stability of the country’s electric power grid by optimizing the location of energy sources relative to demand; and
- (d) Promote inclusive and sustainable industrialization while recognizing the role of the private sector, in order to support the transition to new technologies, generate jobs, spur small and medium enterprise growth,

1 attract investments, grow globally competitive and innovative industries,
2 and upgrade the country's participation in regional and global value chains.
3

4 **SEC. 3. Scope and Application.** – This Act shall apply to the manufacture,
5 importation, installation, utilization, and regulation of electric vehicles, charging
6 stations, parts and components, and batteries.
7

8 **SEC. 4. Definition of Terms.** – For purposes of this Act, the following terms
9 shall be defined as stated below:

- 10 (a) *Battery electric vehicle* refers to an electrically propelled vehicle with only a
11 traction battery as power source for vehicle propulsion;
- 12 (b) *Battery pack* refers to the mechanical assembly comprising battery cells and
13 retaining frames or trays, and possibly components for battery management;
- 14 (c) *Certificate of Inspection* refers to a document issued by the building official
15 of a local government unit (LGU) to the owner or applicant as a requirement
16 for the installation of power lines to a building or structure to certify the
17 completeness of the installation of all electrical wirings, pursuant to
18 Republic Act No. 6541 as revised by Presidential Decree No. 1096, otherwise
19 known as the National Building Code of the Philippines;
- 20 (d) *Charging fee* refers to the amount imposed on users in exchange for the use
21 of facilities of charging stations. Its individual components shall be
22 unbundled pursuant to regulations issued by the Energy Regulatory
23 Commission (ERC);
- 24 (e) *Charging station* refers to all equipment for delivery of alternating current or
25 direct current to EVs, installed in an enclosure with special control functions
26 and communications, and may be located off the vehicle. For the purposes
27 of this Act, charging stations shall include battery swapping stations;
- 28 (f) *Charging station service provider* refers to a natural or juridical person, duly
29 accredited by the Department of Energy (DOE), who sells, installs,
30 maintains, owns, or operates charging stations or any of its components for
31 a fee;
- 32 (g) *Comprehensive Roadmap on Electric Vehicles (CREV)* refers to a national plan
33 with an annual work plan to accelerate the electrification of transportation
34 in the country with four components: electric vehicles and charging stations,
35 manufacturing, research and development, and human resource

development. It shall be incorporated in the Philippine Energy Plan and the National Transport Policy;

- (h) *Distribution system* refers to the system of wires and associated facilities belonging to a franchised distribution utility, extending between the delivery points on the transmission, sub-transmission system, or generating plant connection and the point of connection to the premises of the end-user;
- (i) *Distribution utility (DU)* refers to any electric cooperative, private corporation, or government-owned utility which has a franchise or authority to operate a distribution system including those whose franchise or authority covers economic zones;
- (j) *Electric vehicle (EV)* refers to a vehicle with at least one electric drive for vehicle propulsion. For the purposes of this Act, it includes a battery electric vehicle, hybrid-electric vehicle, and a plug-in hybrid-electric vehicle;
- (k) *Green routes* refer to public transportation routes created or identified by LGUs and approved by the Department of Transportation (DOTr) to be exclusively traversed by electric public utility vehicles (PUVs);
- (l) *Hybrid-electric vehicle* refers to a vehicle with both a rechargeable energy storage system and a fueled power source for propulsion;
- (m) *Importer* refers to any individual, partnership, corporation, or other entity engaged in the importation of completely built units of EV, charging stations, parts and components, and batteries incorporated, organized, and existing under Philippine laws;
- (n) *Manufacturer or assembler* refers to any individual, partnership, corporation, or other entity engaged in the manufacture and assembly of EVs incorporated, organized, and existing under Philippine laws;
- (o) *Plug-in hybrid-electric vehicle* refers to a hybrid-electric vehicle with rechargeable energy storage system that is intended to be charged from an external electric energy source;
- (p) *Private buildings and establishments* refer to residential, commercial, and industrial structures owned or leased by private persons or juridical entities, and in the case of commercial and industrial structures, whose goods and services are available to the public;
- (q) *Private charging stations* refer to charging stations installed in private buildings and establishments which may be open for use by the public for a fee;

- 1 (r) *Public buildings and establishments* refer to structures owned or leased by
2 the government through its departments, agencies, bureaus, offices,
3 corporations, and LGUs; and
4 (s) *Public charging stations* refer to charging stations installed in public
5 buildings and establishments, and gasoline stations, which are available for
6 use by the public for a fee.

7 **CHAPTER II**
8 **ROLE OF GOVERNMENT AGENCIES**
9

10 **SEC. 5. *Government Regulations.*** - All regulations related to the use of EVs
11 and the establishment of charging stations shall be structured to facilitate the
12 creation of an enabling environment for equitable and non-discriminatory private
13 sector participation, with preference for indigenous technologies, to attain the long-
14 term goal of stable energy prices and energy sufficiency.
15

16 **SEC. 6. *Role of the Department of Energy.*** - The DOE shall be the primary
17 agency tasked with the promotion of the adoption of EVs and the development of
18 charging infrastructure. Towards this end, the DOE shall:

- 19 (a) Harmonize existing policies and promulgate uniform and streamlined rules,
20 regulations, and standards on the use, operations, and maintenance of
21 charging stations, in coordination with other concerned agencies, to include
22 the accreditation of charging station service providers and requirements by
23 DUs on charging station service providers;
24 (b) Develop and update the EV and charging stations component of the CREV in
25 coordination with the DOTr, Department of Trade and Industry (DTI),
26 Department of Environment and Natural Resources (DENR), Department of
27 Public Works and Highways (DPWH), LGUs and other relevant national
28 government agencies (NGAs). The component shall be finished not later than
29 the 30th of May of every year;
30 (c) Develop and update the CREV by compiling its various components. The
31 CREV shall be released to the public not later than the 30th of September of
32 every year;
33 (d) Harmonize existing guidelines and issuances related to the promotion of the
34 adoption of EVs and charging stations, and issue plans and programs on the
35 same;

- 1 (e) Implement, together with DOTr and DTI, plans and program pursuant to
2 Section 6(d) of this Act through information, education, communication, and
3 demonstration campaigns consistent with the CREV;
- 4 (f) Regularly accredit charging station service providers, and publish on its
5 website an annual inventory of all accredited charging station service
6 providers and a list of all public charging stations in the country;
- 7 (g) Require DUs to submit their respective charging infrastructure development
8 plans as part of their Distribution Development Plans not later than 30th of
9 August of every year;
- 10 (h) Enforce compliance with mandatory open access installation of charging
11 stations as required under Sections 16 and 17 of this Act;
- 12 (i) Ensure charging stations are compliant with the Philippine Electrical Code,
13 Philippine Distribution Code, and other relevant standards;
- 14 (j) Aggregate and centralize data from ERC, DTI, DOTr, DENR, Land
15 Transportation Office (LTO), Land Transportation Franchising and Regulatory
16 Board (LTFRB), Metro Manila Development Authority (MMDA), Philippine
17 Competition Commission, LGUs, and other relevant NGAs insofar as EVs and
18 charging stations are concerned; and
- 19 (k) Perform all other acts that are analogous to the foregoing, which are necessary
20 and incidental to accomplish the policy objectives of this Act.

SEC. 7. *Role of the Energy Regulatory Commission.* – In addition to its functions under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, the ERC shall:

- 21 (a) Promulgate uniform and streamlined rules and requirements for self-
22 generating charging stations and centralized vehicle-to-grid facilities;
- 23 (b) Regulate the rates charged by DUs on all charging stations, taking into
24 account, among others, the utilization of the charging station, the promotion
25 of efficiency, the unique requirements of charging stations, and its effect on
26 the DU's demand profile and distribution system;
- 27 (c) Mandate the unbundling of charging fees;
- 28 (d) Exercise exclusive jurisdiction over all matters that pertain to rate setting in
29 this Act; and
- 30 (e) Perform all other acts that are analogous to the foregoing, which are necessary
31 and incidental to accomplish the policy objectives of this Act.
32

SEC. 8. *Role of the Department of Transportation.* –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:

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

SEC. 9. *Role of the Department of Trade and Industry.* – The DTI shall be the primary agency tasked with industry development of EVs, charging stations, parts and components, and batteries. Towards this end, the DTI shall:

- (a) 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;
- (b) 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;
- (c) 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 manufacturing. The manufacturing component shall be submitted to the DOE not later than the 30th of May of every year;
- (d) 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;

- 1 (e) Coordinate with the DOE and other relevant NGAs in the preparation of the
2 EV and charging stations component of the CREV;
3 (f) Develop, in coordination with the BOI and other relevant NGAs, the EV
4 incentive strategy pursuant to Section 23 (a) of this Act; and
5 (g) Perform all other acts that are analogous to the foregoing, which are necessary
6 and incidental to accomplish the policy objectives of this Act.

7 **SEC. 10. *Role of Local Government Units.*** – In addition to its functions under
8 existing laws, LGUs shall:

- 9 (a) Identify green routes in their respective Local Public Transport Route Plans
10 consistent with the National Transport Policy;
11 (b) Include the electrification of PUVs in their respective development plans;
12 (c) Issue Certificates of Inspection to charging stations;
13 (d) Submit to DOE not later than 30th of January of every year the list of all
14 charging stations in their respective localities; and
15 (e) Ensure compliance of public and private buildings and establishments with
16 Section 15 of this Act.
17

18 **SEC. 11. *Role of the Department of Environment and Natural Resources.*** – In
19 addition to its functions under existing laws, the DENR shall, in consultation with
20 the DOE, DOTr, DTI, and other public and private stakeholders, promulgate rules
21 and guidelines on the recycling and disposal of EVs, charging stations, parts and
22 components, and batteries. The DENR, in coordination with the DOTr, shall include
23 EVs in the comprehensive air pollution management and control program from motor
24 vehicles including greenhouse gas emissions monitoring in accordance with Republic
25 Act No. 8749, otherwise known as the Clean Air Act of 1999.
26

27 **SEC. 12. *Role of the Department of Public Works and Highways.*** – In addition
28 to its functions under existing laws, the DPWH shall establish guidelines on the
29 following:

- 30 (a) Construction of charging stations and other EV support infrastructure in
31 buildings and other establishments; and
32 (b) Issuance of permits for the construction or renovation of buildings or
33 establishments pursuant to Section 15 of this Act.
34

SEC. 13. *Role 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

SEC. 14. 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.

SEC. 15. *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 27 of this Act: *Provided finally*, That existing private and public buildings and establishments shall comply with the foregoing requirements within the timeframe indicated in the CREV.

No permit shall be issued for the construction or renovation of a building or establishment unless this Section has been complied with.

1 **SEC. 16.** *Open Access Installation of Charging Stations in Dedicated Parking*
2 *Slots.* – Dedicated parking slots built in accordance with Section 15 shall be installed
3 with a charging station: *Provided*, That the owner of the private or public building or
4 establishment shall allow a third party charging station service provider to install,
5 operate, or maintain the charging station, or enter into any other contractual
6 arrangement with such third party charging station service provider in fair,
7 reasonable, and nondiscriminatory terms: *Provided further*, That the owner of the
8 private or public building or establishment may act as its own charging station
9 service provider by constituting itself as a charging station service provider pursuant
10 to the provisions of this Act: *Provided finally*, That if a DU engages in the business of
11 a charging station service provider, it shall do so in accordance with Section 26 of
12 Republic Act No. 9136 as implemented by ERC through its applicable rules and
13 guidelines on business separation and unbundling.

14
15 **SEC. 17.** *Open Access Installation of Charging Stations in Gasoline Stations.* –
16 Gasoline stations shall designate dedicated spaces for the installation of charging
17 stations: *Provided*, That the owner of the gasoline station shall allow a third party
18 charging station service provider to install, operate, or maintain the charging station,
19 or enter into any other contractual arrangement with such third party charging
20 station service provider in fair, reasonable, and nondiscriminatory terms: *Provided*
21 *further*, That the owner of the gasoline station may act as its own charging station
22 service provider by constituting itself as a charging station service provider pursuant
23 to the provisions of this Act: *Provided finally*, That a gasoline station shall not be
24 issued a construction, operation, or compliance permit by the DOE unless the owner
25 shows that there is ample space for the construction of charging stations within its
26 premises.

27
28 **SEC. 18.** *Use of Charging Stations in Dedicated Parking Spaces and Gasoline*
29 *Stations.* – All public stations shall be open to the public. All private charging
30 stations may be opened to the public. Both public and private charging stations
31 shall be allowed to impose and collect charging fees.

32
33 **SEC. 19.** *Permits for the Installation of Charging Stations.* – All government
34 agencies including LGUs shall provide for a uniform and streamlined permitting
35 process for the installation, operation, maintenance, replacement, and removal of

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

3
4 **SEC. 20. Duties and Responsibilities of Charging Station Service Providers.** – A
5 charging station service provider shall have the following duties and responsibilities:

- 6 (a) Comply with the rules, requirements, and standards of the DOE and ERC in
7 accordance with Sections 6 and 7 of this Act, and permits and licenses of
8 government agencies and LGUs in accordance with Section 19 of this Act;
9 (b) Pay the DU for electricity consumption from the use of the charging station in
10 cases where the charging station service provider is the owner or operator of
11 the charging station; and
12 (c) Regularly submit to the ERC an unbundled structure of the charging fees
13 imposed on EV users, in the case of public charging stations owned or
14 operated by the charging station service provider.

15
16 **SEC. 21. Green Routes.** – Green routes shall be created or identified by LGUs
17 in their respective localities and approved by the DOTr in accordance with Sections
18 8(d) and 10(a) of this Act.

19
20 **SEC. 22. Safety, Health, and Environment.** – All manufacturers, assemblers,
21 importers, charging station service providers, operators of testing facilities, and users
22 of EVs and charging stations shall comply with all relevant health, safety, and
23 environmental laws, rules, and regulations related to the manufacture, assembly,
24 installation, operation, and utilization of EVs and charging stations.

25 26 **CHAPTER IV** 27 **INCENTIVES** 28

29 **SEC. 23. Fiscal Incentives.** –

30 (a) Manufacturing

31 The following activities shall be included in the annual Investment
32 Priorities Plan (IPP) of the BOI and shall be entitled to the incentives provided
33 under Executive Order No. 226, otherwise known as Omnibus Investment
34 Code of 1987, and other applicable laws for ten (10) years from the effectivity
35 of this Act: *Provided*, That after the aforementioned period, the inclusion of

1 these activities in the annual IPP shall be reviewed and may be extended by
2 the BOI:

3 (i) Manufacture and assembly of EVs, charging stations, and parts and
4 components; and

5 (ii) The establishment and operations of charging stations.

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

11 (i) Narrow the cost gap between EVs and traditional motor vehicles and
12 enable the shift of the local traditional motor vehicle industry to EVs;

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

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

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

25
26 (b) Importation

27 The importation of completely built units of EVs and charging stations
28 shall be exempt from the payment of excise taxes, duties, and value-added tax
29 (VAT) for nine (9) years from the effectivity of this Act: *Provided, That* in the
30 case of imported electric jeepneys and electric tricycles, the Department of
31 Finance, upon recommendation of the BOI, may suspend the exemption in
32 order to protect local manufacturers.

33
34 (c) Utilization

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

- 1 (i) Exemption from the payment of VAT in the purchase of EVs and
2 charging equipment; and
3 (ii) A thirty percent (30%) discount from the payment of the motor vehicle
4 user's charge imposed by the LTO under Republic Act No. 8794,
5 otherwise known as Motor Vehicle User's Charge Act, as well as vehicle
6 registration and inspection fees.
7

8 **SEC. 24. Non-Fiscal Incentives.** – EV users shall be granted the following non-
9 fiscal incentives, which shall remain in force for nine (9) years from the effectivity of
10 this Act:

- 11 (a) Expeditious registration and renewal of registration, and issuance of a
12 special type of vehicle plate by the LTO;
13 (b) Exemption of electrified PUVs from the mandatory unified vehicular volume
14 reduction program, number-coding scheme, or other similar schemes
15 implemented by the MMDA, other similar agencies, and LGUs; and
16 (c) Expeditious processing by the LTFRB of applications for franchise to
17 operate, including its renewal, for PUV operators that are exclusively
18 utilizing EVs.
19

20 **Sec. 25. Financial Assistance.** – Government financial institutions and other
21 financial institutions, in accordance with and to the extent allowed by the enabling
22 provisions of their respective charters or applicable laws, are encouraged to provide
23 concessional financial packages for entities engaged in the activities mentioned in
24 Section 23 of this Act, and preferential interest rates and payment scheme on
25 consumer loans for the acquisition of EVs and electric charging stations.

26 The Bangko Sentral ng Pilipinas shall encourage banks to lend a certain
27 percentage of their portfolio to EV, charging stations, and battery manufacturers,
28 assemblers, and end users: *Provided*, That financing packages for EV fleets shall be
29 prioritized and the procedure shall be streamlined.
30

31 **CHAPTER V**

32 **FINAL PROVISIONS**

33

34 **Sec. 26. Establishment of Dedicated Offices.** – The DOE, DOTr, and DTI shall
35 establish dedicated offices for the effective implementation of this Act. The
36 organizational structure and staffing complement shall be determined by the

1 Secretaries of DOE, DOTr, and DTI, in consultation with the Department of Budget
2 and Management, and in accordance with existing civil service rules and regulations.
3 The budgetary requirements necessary for the establishment of the dedicated offices
4 shall be taken from the current appropriations of each agency concerned. Thereafter,
5 the funding for the dedicated offices shall be included in the annual General
6 Appropriations Act.

7
8 **Sec. 27. Penalties.** – The DOE, DOTr, and DPWH shall impose fines and
9 penalties upon any person, both natural and juridical, found guilty of violating
10 Sections 15, 16, 17, 18, and 19 of this Act. The fines and penalties shall range from
11 a minimum of fifty thousand pesos (P50,000.00) to a maximum of five hundred
12 thousand pesos (P500,000.00), and may include suspension or revocation of permits
13 issued: *Provided*, That this is without prejudice to the penalties provided under
14 existing regulations prescribed by other concerned agencies. The DOE, DOTr, and
15 DPWH, in coordination with the DTI, DILG, and DENR shall issue appropriate rules
16 and regulations on the imposition of these fines and penalties.

17 **Sec. 28. Congressional Oversight.** – The Joint Congressional Energy
18 Commission (JCEC) shall exercise oversight powers over implementation of this Act.
19 The DOE, DOTr, DTI, and other relevant NGAs shall submit the CREV and a report
20 on the implementation of this Act to the JCEC not later than the 1st day of December
21 of every year.

22
23 **Sec. 29. Implementing Rules and Regulations.** – The DOE together with the
24 DOTr, in coordination with DTI, and in consultation with other relevant NGAs and
25 public and private stakeholders, shall issue the implementing rules and regulations
26 of this Act within one hundred twenty (120) days upon its effectivity.

27
28 **Sec. 30. Separability Clause.** – If any portion or provision of this Act is
29 declared unconstitutional, the remainder of this Act or any provisions not affected
30 thereby shall remain in force and effect.

31
32 **Sec. 31. Repealing Clauses.** – Any law, presidential decree or issuance,
33 executive order, letter of instruction, rule or regulation inconsistent with the
34 provisions of this Act is hereby repealed or modified accordingly.

1 **Sec. 32. Effectivity Clause.** – This Act shall take effect fifteen (15) days
2 following its complete publication in the Official Gazette or a newspaper of general
3 circulation.

4

5 *Approved,*