

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7738



Introduced by Representative Joseph Gilbert F. Violago

EXPLANATORY NOTE

The 1987 Constitution, the highest law of the land, enshrines that the State shall protect and promote the right to health of the people and instill health consciousness among them. (Article II, Section 15) The State shall also protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. (Section 16)

In 2019, the Zero-Emission Vehicles (ZEV) Act was passed in British Columbia, which requires automakers to meet the increasing annual levels of electric vehicle sales of 10% by 2025, 30% by 2030, and 100% by 2040.¹ The Minister of Energy, Mines, and Petroleum Resources, Mr. Bruce Ralston, said that these electric vehicles will “help reduce air pollution and save on fuel costs, but price and availability can be barriers.”² Thus, by passing the ZEV Act, the British Columbians “are one step closer to ensuring that in less than 20 years, every new car sold in B.C. will be a zero-emission vehicle powered by clean electricity.”³

During the 2022 United Nations Climate Change Conference, more commonly referred to as COP27, held in Egypt from November 6 to November 18, 2022, 197 nations and territories met with the aim of with the key aim of ensuring full implementation of the Paris Agreement. The Paris Agreement, signed in 2015 during the COP21, is an instrument which set a goal to limit global warming to well below two degrees, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.⁴ According to the UN’s Intergovernmental Panel on Climate Change, carbon dioxide emissions need to be cut 45% by the year 2030.⁵

¹ N.a. “Province puts in place rules for 100% electric-vehicle sales by 2040”. *British Columbia News*. 30 July 2020. Web. Accessed on 15 December 2022. <<https://news.gov.bc.ca/releases/2020EMPR0031-001416>>

² *Ibid.*

³ *Ibid.*

⁴ Vanamali, Krishna. “What is COP27?”. *Business Standard*. 09 November 2022. Web. Accessed on 15 December 2022. <https://www.business-standard.com/podcast/current-affairs/what-is-cop27-122110900318_1.html>

⁵ N.a. “COP27 Reaches Breakthrough Agreement on New “Loss and Damage” Fund for Vulnerable Countries. *United Nations Climate Change*. 20 November 2022. Web. Accessed on 16 December 2022. <

For this reason, the Accelerating to Zero (A2Z) Coalition was launched, to commit to the transition to zero-emission vehicles aligned with the Paris Agreement.⁶ Over 200 stakeholders and organizations from governments, industry, and civil societies, joined the call, in order to curb the greenhouse gas emissions from the transportation sector – accounting to approximately 20% of the global emissions. Originally launched at COP26, at COP27, it brings together over 200 signatories which are committed to “all new car and van sales being zero emission by 2035 in leading markets, and by 2040 globally.”⁷

Moreover, air pollution remains to be one of the biggest health emergencies in the Asia-Pacific region. In a 2018 study by the World Health Organization, the Philippines ranked third globally in the number of air pollution related deaths, with recorded an estimated 45.3 air pollution-related deaths for every 100,000 people.⁸

With a noble goal in mind, the Philippine government, through its legislative branch, passed a law, Republic Act. No. 11697 or the Electric Vehicle Industry Development Act (EVIDA), in 2021. The declared policies of the law are as follows: ensure the country’s energy security and independence by reducing reliance on imported fuel for the transportation sector; promote and support innovation in clean and sustainable energy to accelerate social progress by encouraging public and private use of low emission and other alternative energy technologies; and protect the health and well-being of the people from the hazards of pollution and greenhouse effect, among others.⁹ The law, therefore, provides for a national development plan for the electric vehicle (EV) industry comprised of four (4) components: EV and charging stations component; manufacturing component; research and development component; and human resource development component.¹⁰ However, the law only mandates the following entities to ensure that at least five percent (5%) of their fleet shall be EVs, until the entire fleet will be all EVs within the timeline provided in the CREVI: a.) industrial and commercial companies such as cargo logistics companies, food delivery, tour agencies, hotels, power utilities, and water utilities; b.) public transport operators, including minibuses, buses, jeepneys, vans, tricycles, taxis and transport network vehicle services (TNVS); and LGUs, NGAs and GOCCs.¹¹

<https://unfccc.int/news/cop27-reaches-breakthrough-agreement-on-new-loss-and-damage-fund-for-vulnerable-countries>

⁶ Sheikh, Sharm El. “COP27: Over 200 stakeholders to accelerate zero-emission transportation”. *Business Standard*. 17 November 2022. Web. Accessed on 15 December 2022. < https://www.business-standard.com/article/international/cop27-over-200-stakeholders-to-accelerate-zero-emission-transportation-122111700838_1.html#:~:text=Originally%20launched%20at%20COP26%2C%20at,markets%2C%20and%20by%202040%20globally.>

⁷ *Ibid*.

⁸ Abano, Imelda. “Health experts in the Philippines lead the fight against dirty air”. *Healthcare without Harm*. 4 June 2019. Web. Accessed on 15 December 2022. < <https://noharm-global.org/articles/news/asia/news-health-experts-philippines-lead-fight-against-dirty-air#:~:text=Air%20pollution%20is%20one%20of,by%20the%20World%20Health%20Organization.>>

⁹ Republic Act No. 11697, Sec. 2.

¹⁰ *Id*, Sec. 6

¹¹ *Id*, Sec. 16.

For this reason, to accelerate the development of the EV industry as envisioned by the EVIDA, as well as to hit the targets of the Paris Agreement to bring down carbon emissions, this proposed measure seeks to amend the EVIDA in order to promote increasing annual sales targets of industries or businesses engaged in the sale and distribution of motor vehicles on electric, hybrid, and alternative fuel vehicles, and providing incentives therefor, within a given timeframe – with the end goal of having 100% E.V. sales by 2040.

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

A handwritten signature in black ink, appearing to read 'J. Violago', with a stylized flourish at the end.

JOSEPH GILBERT F. VIOLAGO

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AN ACT
PROMOTING THE INCREASING ANNUAL SALES TARGETS ON
ELECTRIC, HYBRID, AND ALTERNATIVE FUEL VEHICLES, AND
PROVIDING INCENTIVES THEREFOR, THUS ACHIEVING 100% E.V.
SALES BY THE YEAR 2040, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 11697, OTHERWISE KNOWN AS THE ELECTRIC VEHICLE
INDUSTRY DEVELOPMENT ACT

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

SECTION 1. *Declaration of Policy.* – It is the declared 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 of nature. The State shall protect and promote the right to health of the people and instill health consciousness among them. For this purpose, the State shall mandate the increasing sales targets of industries or businesses engaged in the sale and distribution of electric, hybrid, and alternative fuel vehicles in the Philippines by the year 2040. The State shall likewise support innovation in clean, sustainable, and efficient energy to accelerate social progress and human development by encouraging public and private use of low emission and other alternative energy technologies. Finally, it shall protect the health and well-being of the people from the hazards of pollution and the greenhouse effect.

SECTION 2. A new section, Section 16-A, is hereby inserted in Republic Act No. 11697, to read as follows:

“SEC. 16-A. *Promoting the Increasing Annual EV Sales Targets of Entities Engaged in the Sale and Distribution of Motor Vehicles.* – All industries or businesses engaged in the sale and distribution of motor vehicles in the Philippines are hereby encouraged to meet the increasing annual sales targets within the timeline set forth in this Act:

- a. By 2030 and in each subsequent year, at least thirty percent (30%) of the market sales shall come from electric, hybrid, and alternative fuel vehicles purchases;
- b. By 2035 and in each subsequent year, at least sixty percent (60%) of the market sales shall come from electric, hybrid, and alternative fuel vehicles purchases; and
- c. By 2040 and in each subsequent year, one hundred percent (100%) of the market sales shall come from electric, hybrid, and alternative fuel vehicles purchases.

The Department of Trade and Industry shall monitor the industries or businesses engaged in the sale and distribution of motor vehicles by requiring submission of annual sales reports on or before the 15th day of April of the following year of each target year.

Applicable fiscal and non-fiscal incentives, as well as financial assistance, provided in Section 24, 25, and 26 of this Act shall likewise apply to the industries or businesses engaged in the sale and distribution of motor vehicles that will meet the annual sales targets as provided in this Section.”

SECTION 3. *Implementing Rules and Regulations.* – The Department of Energy, together with the Department of Transportation, in coordination with the Department of Trade and Industry, and in consultation with other relevant stakeholders, shall issue such rules and regulations as may be necessary to carry out the purpose of this Act within one hundred twenty (120) days after its effectivity.

SECTION 4. *Separability Clause.* – If any portion or 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.

SECTION 5. *Repealing Clause.* – Any law, decrees, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed, amended or modified accordingly.

SECTION 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,