



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4150



Introduced by Representative KRISTINE SINGSON-MEEHAN

EXPLANATORY NOTE

The Philippines continues to face persistent challenges in ensuring reliable, affordable, and sustainable energy supply. With growing demand for electricity and increasing dependence on imported fossil fuels, there is an urgent need to diversify our energy mix.

Hydrogen has emerged globally as a transformative fuel that can provide clean and scalable energy solutions. It can be utilized across multiple sectors, making it a cornerstone of the global transition to a low-carbon economy. In particular, green hydrogen produced from renewable energy can reduce greenhouse gas emissions and lessen reliance on imported fuel.

This measure, entitled the “Philippine Hydrogen Act of 2025,” seeks to establish a comprehensive regulatory framework for the exploration, development, production, and utilization of hydrogen as an alternative fuel. It institutionalizes the Department of Energy’s mandate to lead in developing the hydrogen industry, streamlines permitting processes ensures environmental and safety standards, and provides incentives to encourage private sector participation and investments.

By adopting this legislation, the Philippines positions itself to take advantage of emerging hydrogen technologies, strengthen energy security, attract investments, and align with global commitments to decarbonization.

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

DEPUTY SPEAKER KRISTINE SINGSON-MEEHAN
2nd DISTRICT ILOCOS SUR



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**AN ACT PROVIDING FOR A COMPREHENSIVE REGULATORY FRAMEWORK
FOR THE EXPLORATION, DEVELOPMENT, PRODUCTION AND UTILIZATION OF
HYDROGEN AS AN ALTERNATIVE SOURCE OF FUEL ENERGY, AND
APPROPRIATING FUNDS THEREFOR**

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

ARTICLE I

GENERAL PROVISIONS

Section 1. Title – This Act shall be known as the *"Philippine Hydrogen Act of 2025."*

Sec. 2. Declaration of Policy. - It is hereby declared the policy of the State to promote the use and development of hydrogen as alternative source of fuel energy and recognizes its major role attaining greater energy security and achieving the country's goal for a low-carbon future. Towards this end, the following are hereby mandated:

2.1 All energy projects involving the exploration, development, production and utilization of hydrogen shall be considered Energy Projects of National Significance (EPNS) and shall be entitled to all the rights and incentives under Executive Order No. 30 and other related issuances of the DOE.

2.2 Prioritization dispatch shall be afforded to power plants that use Indigenous Natural Gas among generation facilities using conventional energy sources. The DOE shall issue the necessary rules for such prioritization, which shall include and the standards and limitations for such prioritization and the process and level for minimum take-off from Natural Gas, and other provisions consistent with energy security and consumer welfare.

Sec. 3. Cornerstones for the Development of the Hydrogen Industry. The government shall endeavor to provide a conducive industry environment for the

promotion and development of hydrogen as an alternative source of fuel energy, based on the following cornerstones:

3.1 Energy Security. Diversify energy sources and increase utilization of indigenous resources in the production of hydrogen and its derivatives thereby reducing dependence on imported oil mitigating the country's vulnerability to energy supply disruptions and fluctuations in the global energy market.

3.2 Environmental Sustainability. Promote the acceleration alternative fuels and emerging technologies and intensification of EEC measures supporting the initiatives to mitigate GHG.

3.3 Research and Technological Development. Drive innovation in the industry through collaboration with science and technology institutions in undertaking research and studies, implement technology demonstration and pilot projects, encourage technology transfer and adoption, and strengthen capacity-building programs.

3.4 Access to Financing and Investments. Accelerate the development of the industry through the establishment of fiscal and non-fiscal incentives, institution of government financial support mechanisms and programs, and formulation of sustainable financing and investment roadmap.

Sec 4. Scope. This Act shall provide a framework for the development of the hydrogen industry in the Philippines and define the responsibilities of various government agencies and private entities in furtherance of this national goal.

All activities of the Department of Energy (DOE), Department of Science and Technology (DOST) and other concerned government agencies relevant to the development and regulation hydrogen shall be in accordance with this Act.

Sec 5. Definition of Terms. – For the purposes of this Act, the following terms shall be defined as follows:

ARTICLE II Role Of Government

Sec 6. Powers and Responsibilities of the Department of Energy (DOE). – In addition to its existing powers and functions, the DOE shall have the overall responsibility of supervising and monitoring the development of hydrogen as an alternative source of fuel energy and developing the strategies to implement the State policies declared under this Act.

Toward this end, the DOE shall perform the following powers and functions:

(a) Prepare the Strategic Roadmap for Hydrogen, defining the overall vision and strategy, industry's milestone targets, and its needed support systems and resources, within two (2) years from the effectivity of this Act.

(b) Approve or issue:

- i. Recommendation for the President's approval the award of a Hydrogen Service; m
- ii. Permits for the construction, operation and maintenance, improvement, expansion, modification, maintenance, repair, rehabilitation, decommissioning and abandonment of downstream hydrogen facilities;
- iii. Accreditation of Hydrogen Energy Industry Participant (HEIP);
- iv. Acknowledgment of importation and exportation notification; and
- v. Other endorsements or issuances in furtherance of the development of the downstream hydrogen industry.

The procedure for the processing and issuance of all permits and other clearances endorsements or issuances pursuant to this Act shall be governed by Republic Act RA No. 11234, otherwise known as the "Energy Virtual One Stop Shop Act" (EVOSS Act). The EVOSS Steering Committee shall streamline the permitting process for the downstream hydrogen industry and shall continue its mandate under the EVOSS Act;

- (c) Review, suspend or revoke, after due notice, contracts and permits issued in accordance with the preceding paragraph (b) herein, after a finding of non-compliance with the provisions of this Act, the implementing rules and regulations that shall be promulgated to implement it, and other related issuances;
- (d) Issue a written approval on the assignment or transfer of interest in any Hydrogen Service Contract or on any permit issued after finding that the assignee or transferee has met all the legal, technical, and financial qualifications and has committed itself to assume all existing obligations of the Permit Holder, and such assignment or transfer is in accordance with existing laws, rules, and regulations;
- (e) Promulgate rules and regulations to implement the provisions of this Act;
- (f) Within one (1) year from the effectivity of the Implementing Rules and Regulations (IRR) of this Act, issue in consultation with other concerned government agencies and stakeholders, establish the following:
 - i. **Facility Standards and Safety Codes:** development, review, adoption, and updating of local facility standards and safety codes (for fire, explosion, and leakage) for hydrogen production, handling, storage, transmission, and distribution based on industry best practices, international standards, research, and technology advancements.

- ii. **Product Quality:** development, review, adoption, and updating of local product quality standards based on available international standards to define the acceptable range of parameters for hydrogen quality, including but not limited to purity levels, moisture content, impurity limits, energy content, and any other relevant parameters that may impact its performance, safety, and efficient utilization.
- (g) Endorse to the Philippine Competition Commission (PCC) any reported or observed Anti-Competitive Behavior in the conduct of any business in the downstream hydrogen industry;
- (h) Issue directives to relevant government agencies, in their capacities as investing arms of the Government, to spearhead the development of the hydrogen energy value chain as the DOE may deem imperative to catalyze its the development within a given timeline;
- (i) Publish at the DOE website the list of Service Contractors and Permit Holders and Participants with the status of their projects;
- (j) Create offices and appoint personnel as may be necessary to efficiently and effectively implement this Act, subject to existing laws, rules and regulations;
- (k) Develop and establish such other plans and policies as may be consistent with and in furtherance of the State policies declared under this Act; and
- (l) Exercise such other powers and functions as may be necessary or incidental to attain the objectives of this Act.

Sec. 6. Powers and Responsibilities of the Energy Regulatory Commission (ERC). – The ERC shall perform regulatory powers pursuant to Chapter IV of Republic Act No. 9136, otherwise known as The Electric Power Industry Act of 2001 (EPIRA) as amended, and such other powers as may be delegated to it by the DOE pursuant to this Act.

The ERC shall provide the methodology for the determination of reasonable costs and other regulatory support for the generation of electricity sourced from Indigenous Natural Gas. The ERC shall likewise take into account the government share and other revenues in the production of the Indigenous Natural Gas sold to power plants.

It shall perform its functions in a manner that supports the State policies declared under this Act and consistent with the plans and strategies developed by the DOE pursuant to this Act.

It shall create offices and appoint personnel thereto as may be necessary to efficiently and effectively perform its functions in regulating power generated from Natural Gas, subject to existing laws, rules and regulations.

Sec. 7. Powers and Responsibilities of the Department of Environment and Natural Resources (DENR). – In addition to its functions under Executive Order No. 192, otherwise known as the “Reorganization Act of the Department of Environment and Natural Resources”, the DENR shall, together with the DOE and other relevant government agencies, determine and monitor compliance with the environmental standards for the location siting, construction, operation and maintenance, expansion, rehabilitation, decommissioning and abandonment of hydrogen facilities, pursuant to existing laws.

Sec. 8. Powers and Responsibilities of the Department of Transportation (DOTr) through the Philippine Coast Guard (PCG). – In addition to its functions under Republic Act RA No. 9993, otherwise known as the “Philippine Coast Guard Law of 2009”, the PCG shall, together with the DENR, determine and monitor compliance with the Marine Environmental Protection standards for the siting, construction, operation and maintenance, expansion, modification, rehabilitation, decommissioning and abandonment of hydrogen facilities.

SEC. 9. Powers and Responsibilities of the Department of Transportation (DOTr) through the Maritime Industry Authority (MARINA). – In addition to its functions under Presidential Decree No. 474, otherwise known as the “Maritime Industry Decree of 1974”, the MARINA shall have general jurisdiction over the development, promotion and regulation of all enterprises engaged in exploration, development, production and utilization of hydrogen and shall provide for the effective supervision, regulation and rationalization of the organizational management, ownership and operations of all water transport utilities and other maritime enterprises.

Sec. 10. Powers and Responsibilities of the Department of Science and Technology (DOST). – In addition to its functions under Executive Order No. 128, otherwise known as the “Reorganizing the National Science and Technology Authority”, the DOST shall undertake scientific and technological research and development for the improvement of hydrogen as an alternative source of fuel energy.

Sec 11. Referral to the Philippine Competition Commission (PCC). M Consistent with its functions under the PCA, the PCC shall:

- 11.1 Promote free and fair competition in all commercial economic activities in the hydrogen industry;
- 11.2 Prevent economic concentration which may have the tendency to control the production, distribution, trade, or industry that will unduly stifle competition, constrict the discipline of free markets; and
- 11.3 Penalize all forms of anti-competitive agreements, abuse of dominant position and anti-competitive mergers and acquisitions in the PDNGI, with the objective of protecting consumer welfare and advancing domestic and international trade and economic development.

All matters involving or suspected by ERC and/or DOE to involve anti-competitive agreements or abuse of market power shall be referred to the PCC for investigation and adjudication. Where the act or acts to be referred to by the PCC are highly

technical in nature, the ERC and/or DOE shall assist the PCC in its inquiry and analysis of the facts.

Sec. 12. Powers and Responsibilities of the National Commission on Indigenous Peoples (NCIP). In addition to its functions under RA No. 8371, otherwise known as “The Indigenous Peoples Rights Act of 1997” (IPRA), upon the DOE’s endorsement in accordance with the PEP or upon the its certification that the project is an Energy Project of National Significance, the NCIP shall exempt such project from the requirements of Section 59, Chapter VIII of the IPRA, in accordance with the guidelines to be issued by the NCIP.

ARTICLE III

Exploration, Development and Production of Native Hydrogen

Sec 13. Hydrogen Service Contracts. The Government may authorize the exploration and production of native hydrogen through Service Contracts following the framework provided under Presidential Decree (PD) No. 87, unless otherwise provided in this Act.

The Government, through the DOE, may open and publish areas for application. Interested parties may also nominate areas of interest.

The DOE shall issue the necessary implementing rules and regulations for the award of Service Contract under this Act.

Sec 14. Exemption from Taxes. Hydrogen Service Contractors shall be exempt from all taxes, except income tax.

Sec. 15. Government Share. The Government shall be entitled to no less than sixty percent (60%) of the difference between the gross income and the sum of operating expenses, Filipino participation incentive and such other special allowances which the DOE may grant. The Philippine Income Tax shall form part of the Government Share.

Sec 16. Special Allowances for Hydrogen Service Contractors. The DOE may grant special allowance to Hydrogen Service Contractors, provided that the share of the Government, including all taxes, shall not be less than sixty percent of the difference between the gross income and the sum of operating expenses and such allowances as the Secretary of Energy may deem proper to grant.

ARTICLE IV

Downstream Hydrogen Industry

Sec 17. Downstream Hydrogen Industry. The downstream hydrogen industry involves facilities and activities for the production, transmission, distribution and storage, utilization, and global trade of hydrogen in the energy sector.

17.1 Production. Hydrogen production shall be classified according to its energy resource such as, but not limited to, RE, nuclear energy, fossil fuels, and electricity from the grid.

In recognition of its role in the energy transition, production of hydrogen and its derivatives from RE (green hydrogen and green hydrogen derivatives) shall be preferred and shall be considered as renewable energy projects.

Production of hydrogen and its derivatives using nuclear energy shall be recognized as an energy efficiency project.

17.2 Transmission, Distribution, and Storage. From point of production, hydrogen can be transported, distributed, and stored in compressed gas or liquid form or by conversion to hydrogen derivatives, such as ammonia or liquid organic hydrogen carriers. Storage systems refer to specialized storage tanks and underground storage systems, among others. Transmission and distribution of hydrogen and its derivatives can be done through dedicated pipelines, chemical carriers, rail, or maritime distribution systems, and fueling stations.

17.3 Utilization. Prospective uses of hydrogen in the energy sector shall be divided into power generation & electricity storage applications and non-power applications. Power generation and electricity storage shall include use of electricity produced from hydrogen energy supplied to the grid or as backup and off grid power supply, industrial scale energy storage, co-firing with hydrogen derivatives in existing fossil fuel power plants, and hydrogen and its derivatives cogeneration systems.

Meanwhile, non-power applications shall include the use of hydrogen as an alternative fuel for industrial, commercial, and transportation sectors.

17.4 Import and Export. Contributing to the global strategy towards decarbonization and exploration of energy solutions, importation and exportation of hydrogen and its derivatives shall be considered in the value chain acknowledging its significance in supplementing domestic demand and utilizing surplus RE.

Sec 18. Regulation of Downstream Hydrogen Industry Activities. In addition to its existing powers and functions, the DOE shall have the overall responsibility of supervising and monitoring the development of the downstream hydrogen industry and developing the strategies to implement the State policies declared under this Act.

Sec 19. Hydrogen Supply. – The procurement, delivery, and pricing of hydrogen from indigenous production facilities or from importation shall be transparent, competitive, and secure. If necessary, the DOE shall require the suppliers to submit relevant information pertaining to supply contracting, procurement, pricing, and distribution scheme to users for the purpose of monitoring. Procurement and use of native hydrogen shall be prioritized over imported hydrogen. The DOE shall promulgate rules which shall provide for the prioritization of the dispatch of power plants that use native hydrogen and the standards and limitations for such prioritization consistent with energy security and consumer welfare.

Sec 20. Decommissioning and Abandonment of Downstream Natural Gas Facility. – No Permit Holder shall abandon or withdraw from service any portion of said downstream hydrogen facility or project without obtaining prior written authorization from the DOE and approval by the DOE of an abandonment and decommissioning plan based on Philippine or internationally-accepted standards.

Sec 21. Transfer of Interest Permit. – _Assignment or transfer of the Permit or change of operatorship shall be allowed only upon prior written approval by the DOE based on acceptable reasons and compliance by the existing Permit Holder, the assumption by the assignee of all obligations of the existing Permit Holder, and upon meeting the minimum legal, technical, and financial qualifications by the assignee. The DOE may require Permit Holders to notify the DOE of any change in control or transfer of shares exceeding a specified threshold. In case of a transfer of more than fifty percent (50%) of the shares of the Permit Holder or Operator, without assignment of the Permit or change of

ARTICLE IV

Fiscal Incentives for the Downstream Hydrogen Industry

Sec 22. Tax Incentives. In recognition of the substantial investments needed for the development, construction of, lease, operation and/or maintenance, downstream hydrogen facilities, and other activities in relation to the hydrogen energy value chain projects, as certified by the DOE, shall be included in Tier III of the Strategic Investment Priority Plan (SIPP), subject to the incentives provided under Title XIII (Tax Incentives) of the National Internal Revenue Code of 1997 (NIRC), as amended by Republic Act No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.”

Moreover, the registered projects shall also be entitled to value-added tax (VAT) and duty exemptions as provided under Section 294 of the NIRC during the construction and expansion periods.

Sec 23. Additional Incentive for Downstream Hydrogen Industry Participants.. The DOE may grant additional incentives registered downstream hydrogen industry participants, after consultation with the DOF.

ARTICLE V

Research and Development

Sec 24. Research and Development (R&D). To monitor the innovation and development of the Hydrogen Energy industry, any person or entity engaged in or desiring to engage in the research, studies, experiments or other similar projects/activities involving Hydrogen Energy shall notify the DOE of such engagement.

The DOE shall coordinate with the PERPI in the consolidation of energy research and policy development activities on Hydrogen Energy.

Sec. 25. Grants and Privileges. If it will be determined that the proposed research activity, study, or experiment addresses the challenges and opportunities in the energy sector, and eventually lead to the promotion and transfer of technologies and services that seeks solution to energy security, efficiency, and conservation, the proponent may be awarded grants or financial assistance. Financial grants for Green Hydrogen and Green Hydrogen Derivatives shall be sourced from the RETF; otherwise, it shall be charged against DOE's appropriations. Thereafter, the amount necessary for the continued support for qualified research and development activities shall be included in the annual General Appropriations Act (GAA).

ARTICLE IV Transitory Provisions

Section 26. Non impairment of existing Service Contracts. All valid and existing contracts that may have been granted by the DOE at the date of the effectivity of this Act, shall remain valid, shall not be impaired, and shall be recognized by the Government until the termination or expiration thereof, including any extension allowed therein. Provided, That an existing service contract may be converted into a Service Contract under this Act, upon the application of the service contractor and subject to the approval of the President. Provided, further, That any application for conversion shall be submitted to the Department within eighteen (18) months from the effectivity of this Act.

Sec 27. Existing Systems. – Downstream hydrogen facilities that have been constructed prior to the effectivity of this Act shall continue to be operated under their existing permits and shall comply with additional requirements as may be applicable.

All Permit Holders and Participants shall comply with the provisions of this Act within two (2) years from the effectivity of the IRR of this Act: Provided, That health, safety, security, environmental, construction, operation, and other permits, licenses, certificates, and authorizations issued prior to the effectivity of this Act which are not inconsistent herewith shall remain valid.

Sec 28. Pending Applications. All existing applications for service contract or any activity in the downstream hydrogen industry pending before the DOE upon the effectivity hereof shall be covered by this Act.

ARTICLE IV Final Provisions

Sec 29. Administrative Rules and Procedures. The DOE shall issue the administrative rules and procedure for the discharge of administrative cases and imposition of administrative fines and penalties. The Rules of Court shall apply in a suppletory manner.

Sec 30. Fees. All concerned government agencies shall have the authority to prescribe and collect fees and charges relating to the issuance or review of Permits, and the supervision and regulation of the PDNGI.

Sec 31. Amicable Settlement. All parties shall make their best efforts to amicably settle any dispute arising from the performance or interpretation of any provision of this Act.

Sec 32. Congressional Oversight. The Joint Congressional Energy Commission (JCEC) shall exercise oversight powers over the implementation of this Act. The DOE and other concerned government agencies shall submit annual reports to the JCEC no later than the fifteenth day of September each year, which shall include the latest relevant data, implementation review and reports, and policy and regulatory issues.

Sec. 33. Appropriations. The amount necessary for the implementation of this Act shall be included in the annual General Appropriations Act.

Sec 34. Implementing Rules and Regulations. The DOE shall promulgate the rules and regulations for the effective implementation of this Act within twelve (12) months after the effectivity of this Act.

Sec 35. Separability Clause. If for any reason, any provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof, which are

Sec 36. Repealing Clause. Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Section 37. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.