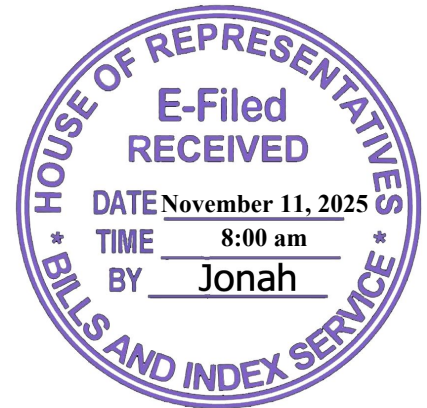


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **5788**



Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

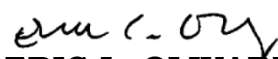
The **Biofuels Act of 2006 (Republic Act No. 9367)** established the policy framework for reducing the country's dependence on imported oil, promoting the development of indigenous renewable energy sources, and mitigating harmful emissions. The law successfully introduced the mandatory blending of bioethanol and biodiesel in transportation fuels, leading to increased investment in local feedstock and biofuel production.

However, in the nearly two decades since its enactment, the Philippine fuel market has experienced significant fluctuations in global oil prices, feedstock supply, and blending costs. While the original intent of the Biofuels Act remains valid, the implementation of mandatory blending has, in some instances, contributed to fuel price increases when the local supply of biofuels becomes limited or costly.

This measure, to be known as the **"Murang Langis Act,"** seeks to amend Section 5 of Republic Act No. 9367 to strike a fair balance between **energy sustainability and consumer affordability**. It preserves the blending mandates for bioethanol and biodiesel while introducing safeguards that ensure fuel prices remain fair and reasonable to the public.

With the prices of fuel continually rising, mandating the smart use of locally-sourced biofuels would help ease the burden of both our local producers and our consuming public.

In the spirit of balanced energy governance and people-centered policymaking, **the immediate passage of this measure is earnestly sought.**


ERIC L. OLIVAREZ

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House Bill No. **5788**

Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

**AN ACT AMENDING SECTION 5 OF REPUBLIC ACT NO. 9367,
OTHERWISE KNOWN AS THE “BIOFUELS ACT OF 2006”**

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

Section 1. *Short Title* - This Act shall be known as the “Murang Langis” Act.

Section 2. *Declaration of Policy* – It is hereby declared the policy of the State to protect public interest by ensuring the delivery of reasonably priced and environmentally sustainable petroleum products to consumers.

Consistent with the national policy of reducing dependence on imported oil, enhancing rural employment, and mitigating greenhouse gas emissions, the State shall implement programs that balance affordability, supply security, and sustainable energy use.

Section 3. Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006,” as amended by Republic Act No. 10745, is hereby further amended to read as follows:

“SEC. 5. Mandatory Use of Biofuels. — Pursuant to the above policy, it is hereby mandated that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuel components, as follows:

5.1. Within two (2) years from the effectivity of this Act, at least five percent (5%) bioethanol shall comprise the annual total volume of gasoline fuel actually sold and distributed by each and every oil company in the country: Provided, That all bioethanol-blended gasoline shall contain a minimum of five percent (5%) bioethanol fuel by volume, conforming to the applicable Philippine National Standards (PNS).

5.2. Within four (4) years from the effectivity of this Act, the National Biofuels Board (NBB) is empowered to determine the feasibility and thereafter recommend to the Department of Energy (DOE) the mandatory implementation of a minimum ten percent (10%) blend of bioethanol by volume in all gasoline fuels distributed and sold nationwide.

In the event of a verified shortage of locally-produced bioethanol during said period, oil companies may be allowed to import bioethanol, but only to the extent of the shortage, as may be determined by the NBB.

5.3. Within three months from the effectivity of this Act, a minimum of one percent (1%) biodiesel by volume shall be blended into all diesel engine fuels sold in the country: *Provided*, That the biodiesel blend conforms to PNS for biodiesel.

Within two (2) years from the effectivity of this Act, the NBB created under this Act is empowered to determine the feasibility and thereafter recommend to the DOE to mandate a minimum of two percent (2%) blend of biodiesel by volume which may be increased taking into account considerations including but not limited to domestic supply and availability of locally sourced biodiesel component: *Provided*, That natural gas power-generating plants may use neat diesel as their alternative fuel during shortages of natural gas supplies: *Provided, however*, That the DOE shall ensure that the authority granted herein shall only be availed of, directly or indirectly, by natural gas power plants.¹

TEMPORARY SUSPENSION. — THE PRESIDENT, UPON THE JOINT RECOMMENDATION OF THE NBB AND THE DOE, MAY TEMPORARILY SUSPEND THE IMPLEMENTATION OF ANY SPECIFIC BLEND LEVEL MANDATED UNDER THIS SECTION FOR A PERIOD NOT EXCEEDING ONE (1) YEAR, IF AND ONLY IF VERIFIED DATA SHOW THAT THE RETAIL PRICE OF BLENDED GASOLINE AND/OR DIESEL FUELS EXCEEDS THAT OF UNBLENDED FUELS BY AT LEAST FIVE PERCENT (5%).

SUCH SUSPENSION SHALL NOT PERMANENTLY REDUCE OR REPEAL THE MANDATORY BLEND REQUIREMENTS UNDER THIS ACT AND SHALL AUTOMATICALLY LAPSE UPON EXPIRATION OF THE SUSPENSION PERIOD UNLESS RENEWED UNDER THE SAME CONDITIONS.”

Section 4. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Act, the Department of Energy (DOE), in consultation with the National Biofuels Board (NBB), industry stakeholders, and other concerned agencies, shall amend or supplement the existing implementing rules and regulations of Republic Act No. 9367 to ensure consistency with the provisions of this Act.

Section 5. Repealing Clause.

All laws, executive orders, rules, and regulations inconsistent with Section 5 of Republic Act No. 9367, as hereby amended, are amended or modified accordingly.

Section 6. Effectivity.

This Act shall take effect fifteen (15) days after its publication in **the** Official Gazette or in at least two (2) newspapers of general circulation.

Approved,