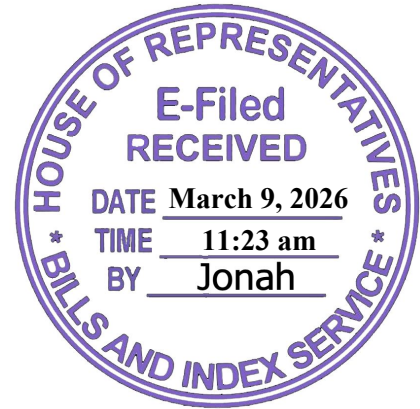




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8357



Introduced by **Representative FERDINAND L. HERNANDEZ**

AN ACT

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

EXPLANATORY NOTE:

The Philippines is heavily dependent on imported petroleum to power transportation, agriculture, industry, and household consumption. As a net importer of oil, the country is highly vulnerable to disruptions in global energy supply. Developments in international oil markets—particularly geopolitical conflicts in major oil-producing regions—are quickly transmitted to domestic fuel prices and, consequently, to the cost of goods and services throughout the economy.

Recent hostilities in the Middle East involving Iran, Israel, and the United States have significantly disrupted global energy markets. The conflict has resulted in attacks on energy infrastructure and the closure of the Strait of Hormuz, a critical maritime chokepoint through which roughly one-fifth of the world’s crude oil shipments normally pass. Any disruption in this route constrains global oil supply and drives up international crude oil prices.

For oil-importing countries such as the Philippines, rising crude oil prices translate directly into higher domestic fuel costs. Crude oil is the primary feedstock used to produce refined fuels such as gasoline, diesel, and liquefied petroleum gas (LPG). When global crude prices rise, the cost of producing and importing these fuels increases accordingly. This results in higher pump prices and increased transportation, logistics, and production costs, which ultimately push up the prices of food, transport services, electricity, and other basic goods.

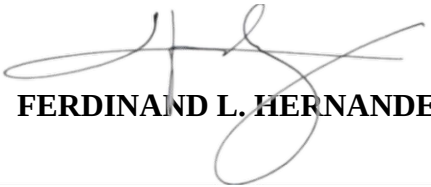
Higher fuel prices disproportionately affect ordinary Filipino households. Diesel powers the trucks that transport food and essential commodities, as well as buses and jeepneys used by millions of commuters. LPG is widely used as cooking fuel in homes and small businesses. When fuel prices rise, transportation fares increase, food prices climb due to higher logistics costs, and household budgets become further strained.

This measure seeks to cushion the impact of global energy disruptions by introducing greater flexibility in the implementation of the Biofuels Act of 2006 (Republic Act No. 9367). While the law promotes the use of locally sourced biofuels to enhance energy security and reduce dependence on imported fossil fuels, the mandatory blending requirements may, in certain circumstances, contribute to higher fuel prices when biofuel components become more expensive than pure petroleum fuels.

The proposed amendment authorizes the Department of Energy (DOE), upon recommendation of the National Biofuels Board (NBB), to temporarily suspend the mandatory biofuel blending requirements when compliance would cause the price of blended gasoline or diesel to exceed the price of pure fuels by at least five percent (5%).

By allowing temporary flexibility during periods of global supply disruption, the measure helps prevent unnecessary increases in fuel prices while preserving the long-term objectives of energy security and sustainable development.

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

A handwritten signature in black ink, appearing to read 'F. Hernandez', is written over a horizontal line.

FERDINAND L. HERNANDEZ



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**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:

1 **Sec. 1. Short Title** - This Act shall be known as the “Murang Langis” Act.
2

3 **Sec. 2. Declaration of Policy** – It is hereby declared the policy of the State to protect public
4 interest by providing reasonably-priced petroleum products to consumers. Towards this end, the
5 State shall implement policies and programs to ensure the delivery of affordable fuel to the
6 public.
7

8 **Sec. 3.** Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006”
9 is hereby amended to read as follows:
10

11 “SEC. 5. Mandatory Use of Biofuels. – Pursuant to the above policy, it
12 is hereby mandated that all liquid fuels for motors and engines sold in
13 the Philippines shall contain locally-sourced biofuels components as
14 follows:
15

16 5.1 Within two years from the effectivity of this Act, at least five
percent

17 (5%) bioethanol shall comprise the annual total volume of gasoline fuel
18 actually sold and distributed by each and every oil company in the
19 country; subject to requirement that all bioethanol blended gasoline
shall

20 contain a minimum of five percent (5%) bioethanol fuel by volume
21 Provided, that ethanol blend conforms to PNS.
22

23 5.2 Within four years from the effectivity of this Act, the NBB created
24 under this Act is empowered to determine the feasibility thereafter
25 recommend to DOE to mandate a minimum of ten percent (10%) blend
26 of bioethanol by volume into all gasoline fuel distributed and sold by
27 each and every oil company in the country.

28
29 In the event of supply shortage of locally-produced bioethanol during
the
30 four-year period, oil companies shall be allowed to import bioethanol
31 but only to the extent of the shortage as may be determined by NBB.
32

33 5.3 Within three months from the effectivity of this Act, a minimum of
34 one percent (1%) biodiesel by volume shall be blended into all diesel
35 engine fuels sold in the country: Provided That the biodiesel blend
36 conforms to PNS for biodiesel.
37

38 Within two years from the effectivity of this Act, the NBB created
under
39 this Act is empowered to determine the feasibility and thereafter
40 recommend to DOE to mandate a minimum of two percent (2%) blend
41 of biodiesel by volume which may be increased taking into account
42 considerations including but not limited to domestic supply and
43 availability of locally-sourced biodiesel component.
44

45 **PROVIDED, THAT THE DOE, UPON THE RECOMMENDATION**
46 **OF THE NBB, MAY SUSPEND THE IMPLEMENTATION OF THIS**
47 **SECTION, OR ANY PART THEREOF, FOR A PERIOD NOT**
48 **LONGER THAN ONE (1) YEAR, IF, AS A RESULT OF ITS**
49 **IMPLEMENTATION, THE PRICE OF BLENDED GASOLINE**
50 **AND/OR DIESEL ENGINE FUELS WILL BE HIGHER BY AT**
51 **LEAST FIVE PERCENT (5%) COMPARED TO PURE GASOLINE**
52 **AND/OR DIESEL ENGINE FUELS.**
28

29 **Sec. 4. Implementing Rules and Regulations** – The Department of Energy, in consultation
30 with the National Biofuels Board, the stakeholders and other agencies concerned, shall within
31 thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to effectively
32 implement the provisions of this Act.
33

34 **Sec. 5. Repealing Clause** – All laws, decrees, ordinances, rules, regulations, other
35 issuances or parts thereof which are inconsistent with this Act are hereby repealed, amended, or
36 modified accordingly.
37

38 **Sec. 6. Effectivity** – This Act shall take effect fifteen (15) days following its complete
39 publication in two (2) newspapers of general circulation or in the *Official Gazette*.
40

41 *Approved.*