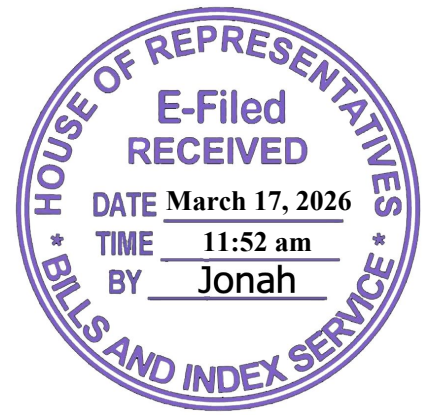


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
TWENTIETH CONGRESS
First Regular Session



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HOUSE BILL NO. 8602

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Introduced by Hon. Julianne “Jam” L. Baronda

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EXPLANATORY NOTE

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Republic Act No. 9367, otherwise known as the Biofuels Act of 2006, was enacted to promote the development and utilization of indigenous renewable energy sources, reduce dependence on imported fuels, and provide sustainable livelihood opportunities for Filipino farmers and workers in the biofuels sector.

However, current global and domestic developments have significantly altered the fuel price landscape. In recent months, volatility in the international oil market, supply constraints, and geopolitical tensions have resulted in sustained increases in fuel prices, placing considerable pressure on fuel-importing countries such as the Philippines.

Based on the **Oil Price Watch as of March 14, 2026** published by the Philippine Daily Inquirer, fuel prices are expected to surge further, with projected increases of approximately **₱14.00 to ₱17.00 per liter for gasoline** and **₱19.30 to ₱22.30 per liter for diesel** in the succeeding pricing adjustment. These projected increases come on top of successive weeks of price hikes, highlighting the severity and persistence of the ongoing fuel price crisis.

Such unprecedented increases have far-reaching economic consequences. As fuel prices rise, transportation costs escalate, leading to higher prices of food and other essential goods. The Philippines, being heavily dependent on imported fuel, remains highly vulnerable to these external shocks, which ultimately erode the purchasing power of Filipino households and disproportionately affect low-income sectors.

Under the existing biofuels blending mandate, there are periods when blended gasoline and diesel fuels are priced higher than pure fossil fuels due to the relatively higher production costs of bioethanol and biodiesel. In the context of already elevated fuel prices, this additional cost differential further compounds the financial burden on consumers, particularly public utility drivers, logistics operators, small enterprises, and ordinary Filipino families.

At a time when fuel prices directly affect the cost of living, there is an urgent need for a responsive and flexible policy mechanism that prioritizes consumer welfare without abandoning long-term energy and agricultural development goals.

This proposed measure introduces a calibrated, objective, and time-bound authority for the President to allow the temporary importation of biofuel components when a clear price trigger is met—specifically, when blended fuel prices exceed pure fuels by at least five percent (5%). By enabling access to potentially lower-cost biofuel inputs, the measure is expected to mitigate pump price increases and provide immediate and tangible relief to consumers.

At the same time, the bill ensures that domestic stakeholders remain protected. All revenues derived from tariffs, duties, and taxes imposed on such importation shall be earmarked exclusively for social amelioration programs benefiting farmers and workers in the local biofuels industry. This ensures that any temporary policy adjustment does not come at the expense of those who rely on the biofuels sector for their livelihood.

Ultimately, this measure enhances the State's ability to respond decisively to fuel price pressures, ensuring that policies remain equitable, adaptive, and grounded in present economic realities. It affirms that while the promotion of renewable energy remains a national priority, the immediate welfare of the Filipino people must remain paramount.

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



HON. JULIENNE "JAM" L. BARONDA

Representative
Lone District, Iloilo City

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
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HOUSE BILL NO. 8602

Introduced by Hon. Julianne “Jam” L. Baronda

AN ACT AMENDING SECTION 5 OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS THE “BIOFUELS ACT OF 2006,” BY ADDING A NEW PARAGRAPH 5.4, AND FOR OTHER PURPOSES

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

SECTION 1. Amendment of Section 5.

Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006,” is hereby amended by adding a new paragraph 5.4, which shall read as follows:

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

xxx

Within two years from the effectivity of this Act, the NBB created under this Act is empowered to determine the feasibility and thereafter recommend to 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.

5.4. Notwithstanding the provisions of this Act on the prioritization of locally produced biofuel components, the President of the Philippines may authorize, for a period not exceeding one (1) year, the importation of biofuel components, including but not limited to bioethanol and biodiesel, regardless of the supply level of domestically produced biofuel components, under the following condition as determined by NBB:

115 *(a) That the price of blended gasoline and/or diesel engine fuels exceeds by*
116 *at least five percent (5%) the prevailing price of pure gasoline and/or diesel*
117 *engine fuels; and*

118 *(b) That such importation is deemed necessary to protect consumers from*
119 *undue increases in fuel prices and to ensure energy affordability and stability.*

120 *Provided, That all proceeds derived from tariffs, duties, and taxes imposed on the*
121 *importation of biofuel components during the authorized period shall be*
122 *earmarked exclusively for the implementation of social amelioration programs*
123 *benefiting farmers and workers in the domestic biofuels industry.*

124 *Provided, further, That the appropriate government agencies shall ensure*
125 *transparency and accountability in the collection, allocation, and utilization of*
126 *such funds.”*

127
128 **SECTION 2. Implementing Rules and Regulations.** Within sixty (60) days from the
129 effectivity of this Act, the Department of Energy, in coordination with the Department of
130 Finance, Department of Agriculture, and other relevant agencies, shall promulgate the necessary
131 rules and regulations for the effective implementation of this Act.

132 **SECTION 3. Separability Clause.** If any provision of this Act is declared unconstitutional
133 or invalid, the other provisions not affected thereby shall remain in full force and effect.

134 **SECTION 4. Repealing Clause.** All laws, decrees, executive orders, rules and regulations,
135 or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

136 **SECTION 5. Effectivity.** This Act shall take effect fifteen (15) days after its publication in
137 the Official Gazette or in a newspaper of general circulation.

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139 *Approved,*