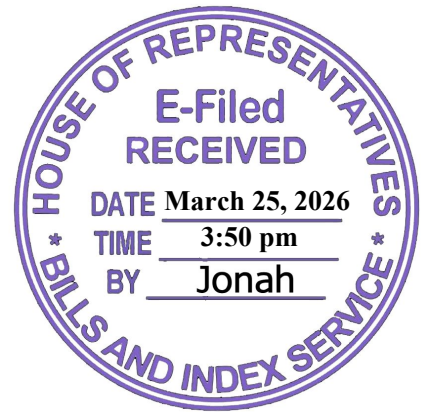


TWENTIETH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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HOUSE OF REPRESENTATIVES
HOUSE BILL NO. **8781**



Introduced by REPRESENTATIVE MA. NINA FRANCESCA P. LACSON

EXPLANATORY NOTE

Energy prices play a critical role in achieving these constitutional goals. Petroleum products power transportation, support agriculture, sustain manufacturing, and influence the price of nearly all essential goods and services. When fuel prices increase sharply, the effects cascade throughout the economy, directly affecting food prices, electricity costs, public transportation, and the overall cost of living.

In 2026, the world is experiencing one of the most serious energy disruptions in recent history due to the escalating conflict between Israel and Iran. The war has severely disrupted oil production and shipping routes in the Middle East, particularly in the Strait of Hormuz, a vital passage through which roughly one-fifth of the world's oil supply normally passes.¹

As a result of the conflict and the threat of disruptions in global energy supply, oil prices have surged dramatically, with some benchmarks briefly approaching \$120 per barrel and analysts warning that prices could rise even further if the crisis persists. The International Energy Agency has warned that the war has caused one of the largest disruptions to oil supply in modern history, prompting the release of hundreds of millions of barrels from emergency global reserves in an attempt to stabilize markets.²

The Philippines relies heavily on imported petroleum products, such volatility poses serious risks. Sharp and sudden fuel price increases have immediate consequences for Filipino consumers, including higher transportation fares, increased food prices, rising electricity costs, and greater inflationary pressure on the national economy.

¹ Reuters. "What Is the Strait of Hormuz and Why Is It So Important for Oil?" Reuters, 28 Feb. 2026.

² Serquiña, Mariel Celine. "How Will a \$200-per-Barrel Oil Price Spike Affect PH?" **GMA Integrated News**, 14 Mar. 2026.

While international market forces influence fuel prices, it remains the responsibility of the State to ensure that price adjustments within the domestic market remain fair, transparent, and consistent with legitimate increases in production and operational costs. Unreasonable or unjustified price increases during periods of global instability can aggravate the economic burden on consumers and undermine public welfare.

This proposed measure seeks to establish a mechanism to address such situations by imposing civil penalties on unreasonable price increases for crude oil, residual fuel oil, and refined petroleum products. The measure directs the Department of Energy (DOE), in coordination with the Department of Trade and Industry (DTI), to issue regulations that prohibit unreasonable price increases and provide for appropriate civil penalties for violations.

In light of the current global energy instability and its profound implications for the Philippine economy, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, reading "Nina Lacson". The signature is fluid and cursive, with the first name "Nina" and last name "Lacson" clearly distinguishable.

MA. NINA FRANCESCA P. LACSON
Manila Teachers Party-list

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HOUSE OF REPRESENTATIVES
HOUSE BILL NO. **8781**

Introduced by REPRESENTATIVE MA. NINA FRANCESCA P. LACSON

AN ACT
IMPOSING CIVIL PENALTIES ON UNREASONABLE PRICE INCREASES FOR
CRUDE OIL, FUEL OIL, AND REFINED PETROLEUM PRODUCTS

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 "Fuel Pricing Fairness Act."

SEC. 2. Declaration of Policy. - It is the policy of the State to promote the general welfare and protect consumers from trade malpractices.

SEC. 3. Definition of Terms. -

(A) 'Energy-producing company' means a person engaged in:

- (1) Ownership or control of mineral fuel resources or non-mineral energy resources;
- (2) Exploration for, or development of, mineral fuel resources;
- (3) Extraction of mineral fuel or non-mineral energy resources;
- (4) Refining, milling, or otherwise processing mineral fuel or non-mineral energy resources;
- (5) Storage of mineral fuel or non-mineral energy resources by any means whatever; or
- (6) Wholesale or retail distribution of mineral fuels, non-mineral energy resources or electrical energy.

(B) 'Unreasonable price increase' means any price increase that exceeds any concurrent increase in the production or operation cost of the energy-producing company that are directly related to the products being sold.

(C) 'Energy industry' means all energy-producing companies.

(D) 'Crude oil' means a naturally-occurring substance found trapped in certain rocks below the earth's crust. It is a dark, sticky liquid which is classed as a hydrocarbon and is highly flammable.

(E) 'Fuel oil' means a liquid or semi-liquid, high-boiling fraction of residue from the distillation of petroleum which is used as a fuel.

(F) 'Refined petroleum products' means products derived from crude oils through processes such as catalytic cracking and fractional distillation. These include gasoline, kerosene, liquefied petroleum gas (LPG), No.2 Fuel Oil, No.4 Fuel Oil, No.5 Fuel Oil (Bunker B), and No.6 Fuel Oil (Bunker C).

(G) 'LPG' means liquefied petroleum gas.

(H) 'DOE' means Department of Energy.

(I) 'DTI' means Department of Trade and Industry.

SEC. 4. Civil Penalty for Unreasonable Price Increases -

(A) In General. Not later than three (3) weeks after the date of enactment of this Act, the Secretary of Energy, in coordination with the Secretary of Trade and Industry, shall issue regulations that:

(1) Apply to all crude oil, residual fuel oil, and refined petroleum products that are sold and used as energy fuel in the Philippines;

(2) Prohibit any unreasonable price increase for such products by an energy-producing company; and

(3) Impose a civil penalty of not less than Five Million Pesos (P5,000,000.00) but not more than Ten Million Pesos (P10,000,000.00) for each unreasonable price increase.

(B) Determination of Unreasonable Price Increase. The DOE, in coordination with the DTI, shall determine at least bi-annually whether any energy-producing company has implemented an unreasonable price increase in violation of regulations issued under paragraph (A) of this Section.

SEC. 5. Weekly Monitoring of Fuel Prices. – The Department of Energy (DOE), in coordination with the Department of Trade and Industry (DTI), shall establish and implement a weekly monitoring system for the prices of crude oil, fuel oil, and refined petroleum products sold and distributed within the Philippines.

The monitoring system shall:

(A) Track and record weekly movements in domestic pump prices and wholesale prices of petroleum products;

(B) Compare domestic price adjustments with movements in international crude oil benchmarks, importation costs, and other relevant production and operational cost indicators;

(C) Require energy-producing companies and fuel distributors to submit relevant pricing, cost, and supply information necessary for effective monitoring; and

(D) Serve as the primary basis for the determination of unreasonable price increases under Section 5(B) of this Act, including the conduct of investigations and enforcement of civil penalties provided under this Act.

The DOE shall maintain records of such monitoring and shall publish periodic reports to promote transparency and inform the public of fuel price movements.

SEC. 6. Separability Clause. - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 7. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent with the provision of this Act is hereby repealed, modified, or amended accordingly.

SEC. 8. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,