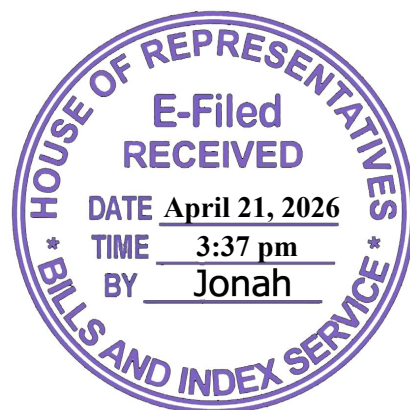


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8920



Introduced by Rep. Paolo Henry M. Marcoleta and Rep. Rolando L. Macasaet

EXPLANATORY NOTE

This measure seeks to establish a Philippine Strategic Petroleum Reserve System to ensure a stable and sufficient supply of petroleum products during periods of global supply disruption, emergency, or extraordinary market volatility, through close coordination between government and industry stakeholders.

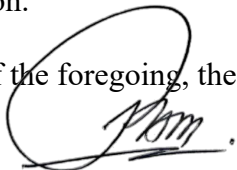
The Philippine economy remains heavily dependent on imported petroleum products, which are essential to transportation, power generation, agriculture, and several other industries. Under Republic Act No. 8479, or the Downstream Oil Industry Deregulation Act of 1998, fuel prices are largely driven by global market forces. Recent global developments have highlighted this dependency resulting in significant fuel price increases that directly burden Filipino consumers and contribute to inflation across essential goods and services. At present, the Philippines does not maintain a centralized, government-managed petroleum reserve system, and continues to rely primarily on private sector inventories. While these serve as an important first line of supply, stronger coordination and shared responsibility are necessary to address prolonged disruptions.

This underscores the importance of fostering a cooperative framework where government and the private sector can work together to manage risks and enhance supply resilience during times of crisis.

This proposal recognizes that maintaining a strategic petroleum reserve is a shared national responsibility. This bill promotes a balanced approach by encouraging both government leadership and active private sector participation. It provides mechanisms for technical collaboration, industry consultation, and joint planning, while empowering the Department of Energy to set standards, facilitate compliance, and deploy reserves when necessary.

Through this measure, the State enhances its capacity to ensure energy security, mitigate price volatility, and build a more resilient and responsive supply system, anchored on strong public-private cooperation.

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


PAOLO HENRY M. MARCOLETA
SAGIP Partylist


ROLANDO LEDESMA MACASAET
SSS-GSIS Pensyonado Partylist

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HOUSE BILL NO. 8920

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AN ACT
ESTABLISHING A PHILIPPINE STRATEGIC PETROLEUM RESERVE SYSTEM,
MANDATING STOCKPILING REQUIREMENTS, DEFINING GOVERNMENT
AND PRIVATE SECTOR OBLIGATIONS, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Philippine Strategic Petroleum
2 Reserve Act.”

3 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to ensure a stable
4 and sufficient supply of petroleum products in times of shortage, emergency, or disruption,
5 recognizing that oil stockpiling is indispensable to the stability of the national economy and
6 the welfare of the people. Towards this end, the State shall promote active collaboration with
7 the private sector through consultation, shared responsibility, and public–private partnership
8 (PPP) arrangements in accordance with Republic Act No. 11966, otherwise known as the
9 “Public-Private Partnership Code of the Philippines.”

10 **SEC. 3. Definition of Terms:**

11 (a) **Strategic Petroleum Reserve** – Refers to petroleum stocks maintained by the
12 government for emergency use;

13 (b) **Private Stockholding Obligation** – Refers to the mandatory inventory levels imposed
14 upon petroleum industry participants;

15 (c) **Department** – Refers to the Department of Energy (DOE);

16 (d) **Public–Private Partnership (PPP)** – Refers to contractual arrangements between the
17 government and private entities as defined under Republic Act No. 11966;

18 (e) **Technical Working Group (TWG)** – Refers to the inter-agency and private sector body
19 created under this Act to provide technical guidance;

20 (f) **Joint Monitoring and Oversight Body** – Refers to the multi-sectoral body responsible
21 for monitoring compliance and implementation of this Act.

22 **SEC. 4. Establishment of National Strategic Petroleum Reserve** – A National Strategic
23 Petroleum Reserve is hereby established, consisting of government-owned petroleum stocks to
24 be maintained and utilized during periods of supply disruption, emergency, or extraordinary
25 market conditions.

The establishment, expansion, financing, operation, and maintenance of petroleum storage facilities and related infrastructure may be undertaken through PPP arrangements, consistent with Republic Act No. 11966 and its Implementing Rules and Regulations (IRR), subject to approval by the appropriate approving bodies under said law.

SEC. 5. Stockpiling Target – The Secretary of Energy shall determine and periodically update the national stockpiling target, taking into consideration domestic consumption levels, import dependency, and supply risks. The reserve shall, as far as practicable, be equivalent to at least sixty (60) to ninety (90) days of national petroleum consumption.

Such determination shall be undertaken in consultation with the private sector through the Technical Working Group and in consideration of investment and operational parameters under PPP arrangements.

SEC. 6. Mandatory Private Sector Stockholding – All refiners, importers, and distributors of petroleum products shall maintain minimum stock levels equivalent to not less than sixty (60) days of supply, subject to adjustment by the Department in consultation with industry stakeholders.

Compliance mechanisms may include participation in PPP-based shared storage facilities or other arrangements consistent with Republic Act No. 11966.

SEC. 7. Authority of the Department During Supply Disruption:

- (a) Order the release of petroleum from the Strategic Petroleum Reserve;
- (b) Adjust or temporarily reduce private sector stockholding requirements;
- (c) Direct the coordinated distribution of petroleum products; and
- (d) Implement such emergency measures as may be necessary to ensure adequate supply;

Provided, That such actions shall, whenever practicable, be undertaken in coordination with the Joint Monitoring and Oversight Body and consistent with contractual obligations under PPP agreements.

SEC. 8. Coordinated Industry Response – The Department may require petroleum industry participants to submit contingency plans and to cooperate in the sharing of storage, logistics, and distribution systems during emergencies.

Collaborative arrangements shall be structured in a manner consistent with applicable competition laws and existing PPP contractual frameworks.

SEC. 9. Public–Private Partnership Framework – The Department is hereby authorized to identify, develop, and implement PPP projects for the strategic petroleum reserve system, including but not limited to storage terminals, tank farms, and logistics infrastructure, in accordance with Republic Act No. 11966.

Such PPP arrangements shall adhere to the following principles:

- (a) Transparent and competitive procurement processes;
- (b) Appropriate allocation of risks between government and private partners;
- (c) Financial viability and bankability of projects;

- 64 (d) Protection of national interest and energy security objectives; and
65 (e) Compliance with all applicable laws, rules, and regulations.

66 The Department shall coordinate with the PPP Center and other relevant agencies for project
67 development, approval, and monitoring.

68 **SEC. 10. Creation of Technical Working Group (TWG)** – A Technical Working Group is
69 hereby created, composed of representatives from the Department of Energy, Department of
70 Finance, Department of Budget and Management, the PPP Center, and relevant private sector
71 stakeholders from the downstream oil industry.

72 The TWG shall:

- 73 (a) Formulate and recommend implementing rules and guidelines;
74 (b) Advise on stockpiling levels, infrastructure requirements, and PPP structuring;
75 (c) Provide technical expertise on market conditions, logistics, and financing; and
76 (d) Recommend policies to strengthen public–private cooperation and investment.

77 **SEC. 11. Creation of Joint Monitoring and Oversight Body** – A Joint Monitoring and
78 Oversight Body is hereby established, composed of representatives from the Department,
79 relevant government agencies, the PPP Center, and accredited private sector representatives.

80 The Body shall:

- 81 (a) Monitor compliance with stockholding requirements and PPP contractual obligations;
82 (b) Oversee petroleum inventory levels and supply conditions;
83 (c) Recommend the release or augmentation of reserves during emergencies;
84 (d) Ensure transparency, accountability, and reporting; and
85 (e) Evaluate the performance of PPP projects related to petroleum reserve infrastructure.

86 **SEC. 12. Transparency and Reporting** – The Department shall regularly monitor national
87 petroleum inventory levels and publish periodic reports, taking into consideration data inputs
88 from the private sector and PPP operators, subject to confidentiality provisions under
89 applicable laws.

90 **SEC. 13. Funding** – The implementation of this Act shall be funded through the General
91 Appropriations Act, PPP project financing, user fees where applicable, and such other lawful
92 sources consistent with Republic Act No. 11966.

93 **SEC. 14. Separability Clause** – If any provision of this Act shall be declared unconstitutional
94 or invalid, the other provisions not affected thereby shall remain in full force and effect.

95 **SEC. 15. Repealing Clause** – All laws, decrees, orders, rules and regulations or parts thereof
96 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

97 **SEC. 16. Effectivity** – This Act shall take effect fifteen (15) days after its publication in the
98 Official Gazette or in at least two (2) newspapers of general circulation.

99 Approved,