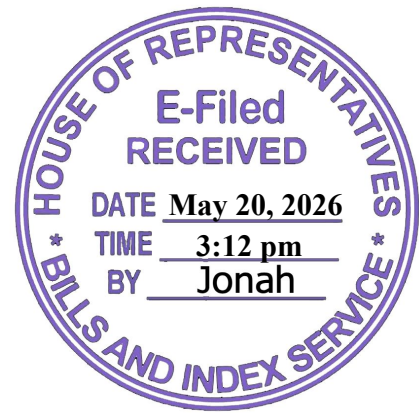


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9367



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

Despite its heavy reliance on imported petroleum products, the Philippines lacks a comprehensive legal framework establishing a government-owned and controlled strategic petroleum reserve. In contrast, many countries maintain strategic petroleum reserves as a core component of their energy security policies. Based on reports, Japan holds one of the largest petroleum reserves in Asia, with supplies estimated to last over 200 days.¹ South Korea and China have likewise substantial reserves, reflecting strong commitment to energy security planning among major Asian economies. A research published in *Energy Policy* notes that a strategic petroleum reserve is a practical tool for stabilizing supply and demand, moderating price fluctuations, handling emergencies, and safeguarding the national economy.²

In the recent disruptions affecting the Strait of Hormuz, nations with established strategic petroleum reserves were able to release oil stocks to stabilize domestic supply and cushion economic impact. In comparison, the Philippines had no comparable reserve to draw from and remained largely exposed to market volatility, relying instead on existing commercial inventories and external supply conditions. This vulnerability contributed to cumulative oil price hikes exceeding 100 percent, which could push an additional 1.34 million Filipinos to poverty, according to the policy brief of the Philippine Institute for Development Studies (PIDS).³ This highlights the urgent need for the Philippines to establish its own strategic petroleum reserve as a safeguard against future supply shocks and economic disruption.

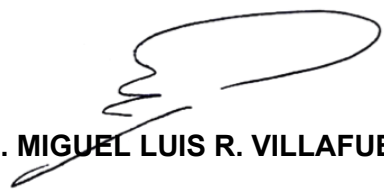
The proposed measure seeks to establish a Philippine Strategic Petroleum Reserve to function as a vital buffer against severe oil supply disruptions. It provides for the creation of a government-managed reserve composed of crude oil and refined petroleum products, the development of storage facilities, management and maintenance of the reserves, clear guidelines for the release of reserves, and implementation timelines based on technical, financial, infrastructure, and logistical considerations.

In view of the foregoing, the approval of this measure is earnestly sought.

¹ Davis, River Akira and Notoya, Kiuko (2026, April 15). New York Times. *Japan Pledges \$10 Billion to Help Countries Cope With Oil Prices*. <https://www.nytimes.com/2026/04/15/business/japan-aid-asia-oil.html>

² Zhang, Lei (2024). A comparative study of strategic petroleum reserve policies of major countries in the world. *Energy Policy*, Volume 195, 2024, 114362, ISSN 0301-4215, <https://doi.org/10.1016/j.enpol.2024.114362>

³ Philippine Institute for Development Studies (2026, April 17). *Oil price surge may push 1.34 million Filipinos into poverty*. <https://pids.gov.ph/details/news/press-releases/oil-price-surge-may-push-1-34-million-filipinos-into-poverty-pids>



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**AN ACT ESTABLISHING A PHILIPPINE STRATEGIC PETROLEUM RESERVE SYSTEM TO
ENSURE ENERGY SECURITY, AND APPROPRIATING FUNDS THEREFOR**

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 “Philippine Strategic Petroleum Reserve Act.”

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to ensure energy security, economic stability, and national resilience by establishing and maintaining a Strategic Petroleum Reserve (SPR).

The State shall adopt proactive measures to safeguard the country against petroleum supply disruptions, mitigate the impact of global oil price volatility, and ensure the availability of fuel during emergencies to avoid severe consequences on critical infrastructures, public welfare, and national development.

SECTION 3. *Definition of Terms.* –

- (a) Crude Oil – refers to oil in its natural state before the same has been refined or otherwise treated, but excluding water, bottoms, sediments and foreign substances.
- (b) Petroleum Products – refer to gasoline, diesel, kerosene, jet fuel, liquefied petroleum gas (LPG), and other refined petroleum products determined by the Department of Energy (DOE).
- (c) Stock Rotation – refers to the systematic replenishment, replacement, or exchange of stored petroleum products to maintain quality and operational readiness.
- (d) Strategic Petroleum Reserve – refers to government-controlled stockpiles of crude oil and petroleum products maintained for use during national emergencies or severe supply disruptions.
- (e) Supply Disruption – refers to any sudden reduction in the availability of crude oil or petroleum products caused by geopolitical conflict, natural disaster, global market shock, or other extraordinary circumstances affecting national energy supply.

SECTION 4. *Establishment of the Philippine Strategic Petroleum Reserve (SPR).* – There is hereby established a Philippine Strategic Petroleum Reserve (SPR) to be owned and managed by the Department of Energy.

The SPR shall maintain petroleum stocks equivalent to not less than nine (90) days of average national consumption, which may be increased by Congress upon recommendation of the Department of Energy.

SECTION 5. *Composition of Reserve Stocks.* – The SPR shall be composed of:

- (a) crude oil;
- (b) refined petroleum products, including diesel, gasoline, jet fuel, and LPG; and
- (c) other energy products as may be deemed critical by the DOE.

The DOE shall determine the optimal mix of crude and refined products based on consumption patterns and supply risk assessments.

SECTION 6. *Storage Facilities.* – The SPR may be stored through a combination of the following:

- (a) government-owned storage terminals;
- (b) leased or contracted commercial storage facilities;
- (c) underground storage structures where technically and economically feasible;
- (d) floating storage systems; and
- (e) other secure and cost-effective storage infrastructure.

SECTION 7. *Management and Maintenance of the SPR.* – The DOE shall ensure the proper management, safety, and operational readiness of the SPR. It shall:

- (a) ensure that the reserves are geographically distributed across key locations in the country to enhance resilience against natural disasters, infrastructure failure, or security threats;
- (b) ensure that all storage facilities and operations are in compliance with safety, environmental, and regulatory standards; and
- (c) implement inventory rotation mechanisms to maintain the quality, usability, and economic efficiency of stored petroleum. For this purpose, petroleum stocks may be periodically sold, exchanged, or replaced in order to prevent degradation of stored fuels and to reduce financial losses associated with prolonged storage.

SECTION 8. *Conditions for Release of Reserve Stocks.* – The President, upon the recommendation of the DOE, may authorize release of SPR stocks under any of the following conditions:

- (a) severe supply disruption;
- (b) declaration of a state of national emergency;
- (c) extraordinary price spikes or market volatility threatening economic security;
- (d) natural disasters affecting fuel logistics or distribution systems.

All releases shall be conducted in a transparent manner and shall be reported to Congress within thirty (30) days from such release.

SECTION 9. *Public-Private Participation.* – The DOE may enter into contracts or agreements with private entities, for the financing, design, construction, operation, or maintenance of storage facilities and related infrastructure for the SPR. Such arrangements may be undertaken through public-private partnership mechanisms consistent with existing laws

SECTION 10. *Phased Implementation.* – The SPR shall be implemented in phases which shall include planning and initial stock build-up and infrastructure expansion and optimization. The DOE shall determine and adjust timelines based on technical, financial, infrastructure, and logistical considerations, subject to oversight by Congress.

SECTION 11. *Reporting.* – The DOE shall submit an annual report to Congress detailing the status of the SPR, including stock levels, reserve coverage, storage capacity, financial expenditures, acquisition strategies, and any releases conducted during the year.

SECTION 12. *Lead Agency.* – The Department of Energy shall be the lead agency for the implementation of this Act in coordination with the Philippine National Oil Company, the National Disaster Risk Reduction and Management Council, the Department of Finance, Department of Economy, Planning, and Development, and other relevant government agencies.

SECTION 13. *Appropriations.* – The funds necessary to carry out the initial implementation of this Act shall be charged against the respective budget of concerned agencies for the current year. Thereafter, such amount as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 14. *Implementing Rules and Regulations.* – The DOE, in coordination with relevant agencies, shall issue the necessary Implementing Rules and Regulations within ninety (90) days after the effectivity of this Act.

SECTION 15. *Separability Clause.* – If any provision or part of this Act is declared unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SECTION 16. *Repealing Clause.* – All laws, executive orders, issuances, and rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,