

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4391



Introduced by Representative ED CHRISTOPHER S. GO

AN ACT
PROVIDING THE NATIONAL ENERGY POLICY AND REGULATORY
FRAMEWORK FOR THE USE OF ELECTRIC VEHICLES, AND THE
ESTABLISHMENT OF ELECTRIC CHARGING STATIONS

EXPLANATORY NOTE

The rise of electric vehicles (EVs) as viable modes of private and commuter transportation is a welcome development in the face of volatile global oil price shocks and worsening climate change. Indeed, the establishment of a national policy to regulate and encourage the development of the country's nascent EV industry will foster Philippine energy independence and help the country meet its obligations under various international agreements to **reduce** its greenhouse gas emissions. Considering the economic and environmental benefits to the country, the pursuit of this national policy is a ripe subject for legislation.

In line with the foregoing, this legislation seeks to create a national policy framework to promote, develop, and eventually mainstream the use of electric vehicles for public and private transportation purposes in the country. Among others, this legislation mandates the following:

1. Establishment of dedicated EV parking slots at gasoline stations, and public and private establishments;
2. Installation of charging stations at all designated EV parking areas;
3. Formulation of an accreditation mechanism for charging station service providers;
4. Creation of green routes exclusive to electric public utility vehicles;
5. Inclusion of domestic EV manufacturing in the Investment Priorities Plan; and,
6. Provision of value added tax (VAT) exemption for the purchase of electric vehicles.

This bill is a counterpart of Senate Bill No. 174 filed by Senator Win Gatchalian on July 2, 2019 during the 18th Congress.

Support for the passage of this legislation is earnestly sought.



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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 referred to as the “Electric Vehicles
2 and Charging Stations Act”.

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to:

- 4 (a) Ensure Philippine energy security and independence by reducing the
5 country's reliance on imported fuel for the transportation sector;
6 (b) Promote and support innovation in clean, sustainable, and efficient energy to
7 accelerate social progress and human development by encouraging public
8 and private use of new and alternative energy technologies; and
9 (c) Safeguard and improve the integrity, reliability, and stability of the country's
10 electric power grid by optimizing the location of energy sources relative to
11 demand.

12 Sec. 3. *Scope and Application.* – This Act shall apply to the manufacture,
13 importation, installation, and utilization of electric vehicles and charging stations.

14 Sec. 4. *Definition of Terms.* – For purposes of this Act, the following terms shall
15 be defined as stated below:

- 16 (a) *Battery electric vehicle* refers to a private, government-owned, or public utility
17 vehicle (PUV) which is propelled by an electric motor engine, and powered by
18 energy stored in an on-board battery pack which is charged through a
19 charging station and used on public highways;
- 20 (b) *Battery pack* refers to a completely functional system that includes battery
21 modules, battery support systems, and battery-specific controls used to store
22 and discharge electrical energy in an electric vehicle;
- 23 (c) *Charging fee* refers to the amount imposed on electric vehicle users in
24 exchange for the use of facilities of public charging stations. Its individual
25 components shall be unbundled pursuant to regulations issued by the Energy
26 Regulatory Commission (ERC);
- 27 (d) *Charging station* refers to the physical infrastructure built and designed to
28 deliver electrical energy from an electricity source to a battery pack. Its
29 components include connectors, conductors, fittings, and other associated
30 equipment. It may be for private or public use;
- 31 (e) *Charging Station Roll-Out Plan (CSROP)* refers to a proposed plan of a
32 particular charging station service provider to install and operate charging
33 stations in specific gasoline stations as well as private and public buildings
34 and establishments within the franchised area of a distribution utility;
- 35 (f) *Charging station service provider* refers to a natural or juridical person, duly
36 registered with the Department of Energy (DOE), who sells, installs,
37 maintains, owns, or operates charging stations or any of its components for a
38 fee;
- 39 (g) *Charging Infrastructure Development Plan (CIDP)* refers to the annual report
40 submitted by distribution utilities to the DOE outlining, among others, the siting
41 of existing and planned charging stations and synchronization of charging
42 stations with the distribution system. It shall be incorporated in the
43 Distribution Development Plan and Power Development Plan. The CIDP shall
44 consider the submitted CSROP of a charging station service provider which
45 intends to operate in a distribution utility's franchise area;
- 46 (h) *Distribution Development Plan (DDP)* refers to the expansion, reinforcement,
47 and rehabilitation program of the distribution system, which is prepared by the
48 distribution utility and submitted to the DOE for integration with the Power
49 Development Plan and the Philippine Energy Plan. In the case of electric

cooperatives, such plans shall be submitted through the National Electrification Administration for review and consolidation;

- (i) *Distribution system* refers to the system of wires and associated facilities belonging to a franchised distribution utility, extending between the delivery points on the transmission, sub-transmission system, or generating plant connection and the point of connection to the premises of the end-user;
- (j) *Distribution utility (DU)* refers to any electric cooperative, private corporation, or government-owned utility which has a franchise to operate a distribution system including those whose franchise covers economic zones;
- (k) *Electric vehicle (EV)* refers to either a battery electric vehicle or a plug-in hybrid electric vehicle as defined under this Act;
- (l) *Electric Vehicle Manufacturing Roadmap (EVMR)* refers to an annual plan to incentivize, increase, and improve manufacturing of EVs and charging stations in the country, whether for domestic or international use, taking into consideration the EVR, Philippine Energy Plan, and Philippine Development Plan as well as the incentives provided for in this Act and other relevant laws, rules, and regulations;
- (m) *Electric Vehicle Roadmap (EVR)* refers to an annual comprehensive plan to accelerate the electrification of transportation. It shall include strategies and measurable targets to increase EV adoption, hasten the build-out of charging infrastructure, support the electrification of PUVs, incentivize alignment with grid needs, and coordinate with grid modernization and planning to maximize energy resources. It shall incorporate the Power Development Plan and PUV modernization program, insofar as EVs and charging stations are concerned. It shall be incorporated in the Philippine Energy Plan;
- (n) *Green routes* refer to public transportation routes created or identified by local government units (LGUs) to be exclusively traversed by electric PUVs;
- (o) *Joint Congressional Energy Commission (JCEC)* refers to the joint congressional body created under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, and renamed pursuant to Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act;

- (p) *Investment Priorities Plan (IPP)* refers to the annual over-all plan prepared by the Board of Investments (BOI) under Article 26 of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987;
- (q) *Philippine Distribution Code (PDC)* refers to the set of rules that governs the distribution system in the country promulgated by the ERC pursuant to its mandate under Republic Act No. 9136;
- (r) *Philippine Electrical Code (PEC)* refers to the set of rules that ensures safety in electrical installation and construction mandated under Republic Act No. 7920, otherwise known as the New Electrical Engineering Law;
- (s) *Philippine Grid Code (PGC)* refers to the set of rules and regulations governing the reliable operation, maintenance, and development of the high-voltage backbone transmission system and its related facilities as promulgated by the ERC pursuant to its mandate under Republic Act No. 9136;
- (t) *Philippine Energy Plan (PEP)* refers to the overall energy program formulated and updated yearly by the DOE and submitted to Congress pursuant to Republic Act No. 7638, otherwise known as the Department of Energy Act of 1992;
- (u) *Plug-in hybrid electric vehicle* refers to a private, government-owned, or PUV which is propelled by a combination of a traditional internal combustion engine and an electric motor engine, and powered by energy stored in an on-board battery pack which is charged through a charging station and used on public highways;
- (v) *Power Development Plan (PDP)* refers to the indicative plan for managing electricity demand through energy-efficient programs and for the upgrading, expansion, rehabilitation, repair, and maintenance of power generation and transmission facilities, formulated and updated yearly by the DOE in coordination with the generation, transmission, and distribution utilities;
- (w) *Private buildings and establishments* refer to residential, commercial, and industrial structures owned or leased by private persons or juridical entities, and in the case of commercial and industrial structures, whose goods and services are available to the public;
- (x) *Private charging stations* refer to charging stations installed in private buildings and establishments which are not open for use by the public;

- 116 (y) *Public buildings and establishments* refer to structures owned or leased by
117 the government through its departments, agencies, bureaus, offices,
118 corporations, and LGUs; and
119 (z) *Public charging stations* refer to charging stations installed in public buildings
120 and establishments, gasoline stations, and select private buildings and
121 establishments which are available for use by the public for a fee.

122 Sec. 5. *Role of the Department of Energy.* – The DOE shall determine the
123 general policy direction and specific policy measures required to promote the adoption
124 of EVs and charging stations, and shall:

- 125 (a) Prepare the EVR together with the Department of Transportation (DOTr), in
126 coordination with the Department of Trade and Industry (DTI), and other
127 relevant government agencies;
128 (b) Regularly accredit charging station service providers, and publish on its website
129 a quarterly inventory of all accredited charging station service providers and a
130 list of all charging stations in the country;
131 (c) Require charging station service providers and DUs to submit their respective
132 CSROPs and CIDPs;
133 (d) Enforce compliance with mandatory open access installation of charging
134 stations as required under Sections 12 and 13 of this Act;
135 (e) Mandate the unbundling of charging fees imposed by public charging stations;
136 (f) Aggregate and centralize data from ERC, DTI, DOTr, Department of
137 Environment and Natural Resources (DENR), Land Transportation Office
138 (LTO), Land Transportation Franchising and Regulatory Board (LTFRB), Metro
139 Manila Development Authority (MMDA), Philippine Competition Commission
140 (PCC), LGUs, and other relevant government agencies insofar as EVs and
141 charging stations are concerned; and
142 (g) Perform all other acts that are analogous to the foregoing, which are necessary
143 and incidental to accomplish the policy objectives of this Act.

144 Sec. 6. *Role of the Energy Regulatory Commission.* – In addition to its functions
145 under Republic Act No. 9136, the ERC shall:

- 146 (a) Promulgate uniform and streamlined rules, requirements, and standards for
147 the following:

- 148 (i) Application of charging station service providers with DUs,
149 (ii) Connection of charging stations to the distribution system, and
150 (ii) Operation of self-generating charging stations;
- 151 (b) Ensure charging stations are compliant with the PEC, PDC, PGC, and other
152 relevant laws, rules, regulations, and standards. The ERC shall conduct
153 regular inspections towards this end;
- 154 (c) Regulate the rates charged by DUs on all charging stations, taking into
155 account, among others, the utilization of the charging station, the promotion
156 of efficiency, the unique requirements of charging stations, and its effect on
157 the DU's demand profile and distribution system;
- 158 (d) Exercise exclusive jurisdiction over all matters that pertain to rate setting in
159 this Act; and
- 160 (e) Perform all other acts that are analogous to the foregoing, which are
161 necessary and incidental to accomplish the policy objectives of this Act.

162 *Sec. 7. Role of the Department of Transportation.* – In addition to its functions
163 under Executive Order No. 292, otherwise known as the Administrative Code of 1987,
164 as amended by Republic Act No. 10844, otherwise known as the Department of
165 Information and Communications Technology Act of 2015, the DOTr shall:

- 166 (a) Prepare the EVR together with the DOE, in coordination with the DTI and
167 other relevant government agencies;
- 168 (b) Determine specific classifications for EVs, and promulgate uniform and
169 streamlined rules and requirements for their registration;
- 170 (c) Incorporate the electrification of PUVs in its PUV modernization program; and
- 171 (d) Mandate the inclusion of green routes in the respective Local Public Transport
172 Route Plans of the LGUs.

173 *Sec. 8. Role of the Department of Trade and Industry.* – In addition to its
174 functions under existing laws, the DTI shall:

- 175 (a) Establish national quality and safety standards for EVs, battery packs, charging
176 stations, and other associated equipment. These standards shall include
177 terminology, product, process, service, and interface;
- 178 (b) Prepare the EVMR, in coordination with DOE, DOTr, BOI, and other relevant
179 government agencies; and

(c) Coordinate with the DOE and DOTr in the preparation of the EVR.

Sec. 9. *Role of Local Government Units.* – In addition to its functions under Republic Act No. 7160, otherwise known as the Local Government Code of 1992, LGUs shall:

- (a) Identify green routes in their respective Local Public Transport Route Plan;
- (b) Include the electrification of PUVs in their respective development plans; and
- (c) Ensure compliance of public and private buildings and establishments with Section 11 of this Act.

Sec. 10. *Role of the Department of Environment and Natural Resources.* – In addition to its functions under Executive Order No. 192, otherwise known as Providing the Reorganization of the Department of Environment, Energy and Natural Resources and Renaming it to the Department of Environment and Natural Resources, the DENR shall, in consultation with the DOE, DOTr, DTI, and other public and private stakeholders, promulgate rules and guidelines on the recycling and disposal of battery packs and other components of an EV.

Sec. 11. *Dedicated Parking Slots for Electric Vehicles in Private and Public Buildings and Establishments.* – Private and public buildings and establishments constructed after the effectivity of this Act and pursuant to Republic Act No. 6541, otherwise known as the National Building Code of the Philippines, shall designate dedicated parking slots for the exclusive use of EVs: *Provided*, That the number of dedicated parking slots shall be proportional to the total number of parking slots within the building or establishment. *Provided further*, That the use of dedicated parking slots by vehicles other than EVs shall be punishable under Section 22 of this Act. *Provided finally*, That existing private and public buildings and establishments upon the effectivity of this Act shall comply with the foregoing requirements within five (5) years from effectivity of this Act.

No permit shall be issued for the construction or renovation of a building or establishment unless the owner submits to the building official of the relevant LGU and DOE a sworn affidavit that there are parking spaces dedicated for the exclusive use of EVs, and a copy of the building plan incorporating the same.

210 Sec. 12. *Open Access Installation of Charging Stations in Dedicated Parking*
211 *Slots.* – Dedicated parking slots built in accordance with Section 11 shall be installed
212 with a charging station. *Provided,* That the owner of the private or public building or
213 establishment shall allow a third party charging station service provider to install,
214 operate, or maintain the charging station, or enter into any other contractual
215 arrangement with such third party charging station service provider in fair, reasonable,
216 and nondiscriminatory terms: *Provided further,* That the owner of the private or public
217 building or establishment may act as its own charging station service provider by
218 constituting itself as a charging station service provider pursuant to the provisions of
219 this Act: *Provided finally,* That if a DU engages in the business of a charging station
220 service provider, it shall do so in accordance with Section 26 of Republic Act No. 9136.

221 Sec. 13. *Open Access Installation of Charging Stations in Gasoline Stations.* –
222 Gasoline stations shall designate dedicated spaces for the installation of charging
223 stations: *Provided,* That the owner of the gasoline station shall allow a third party
224 charging station service provider to install, operate, or maintain the charging station,
225 or enter into any other contractual arrangement with such third party charging station
226 service provider in fair, reasonable, and nondiscriminatory terms: *Provided further,*
227 That the owner of the gasoline station may act as its own charging station service
228 provider by constituting itself as a charging station service provider pursuant to the
229 provisions of this Act: *Provided finally,* That a gasoline station shall not be issued a
230 construction, operation, or compliance permit by the DOE unless the owner submits a
231 sworn affidavit that there is ample space for the construction of charging stations within
232 its premises.

233 Sec. 14. *Use of Charging Stations in Dedicated Parking Spaces and Gasoline*
234 *Stations.* – All charging stations installed in public buildings and establishments, and
235 gasoline stations shall be public charging stations. Private buildings and
236 establishments may designate public charging stations. Only public charging stations
237 shall be allowed to impose and collect charging fees.

238 Sec. 15. *Permits for the Installation of Charging Stations.* – All government
239 agencies including LGUs shall provide for a uniform and streamlined permitting
240 process for the installation, operation, maintenance, replacement, and removal of

charging stations: *Provided*, That the process shall be covered by the provisions of Republic Act No. 11234, otherwise known as the Energy Virtual One-Stop Shop Act.

Sec. 16. *Duties and Responsibilities of Charging Station Service Providers.* – A charging station service provider shall have the following duties and responsibilities:

- (a) Comply with the rules, requirements, and standards of the DOE and ERC in accordance with Sections 5 and 6 of this Act, and permits and licenses of government agencies and LGUs in accordance with Section 15 of this Act;
- (b) Pay the DU for electricity consumption from the use of the charging station in cases where the charging station service provider is the owner or operator of the charging station; and
- (c) Regularly submit to the DOE an unbundled structure of the charging fees imposed on EV users, in the case of public charging stations owned or operated by the charging station service provider.

Sec. 17. *Fiscal Incentives.* – The following activities shall be included in the annual IPP of the BOI and shall be entitled to the incentives provided under Executive Order No. 226 and other applicable laws for ten (10) years from the effectivity of this Act: *Provided*, That after the aforementioned period, the inclusion of these activities in the annual IPP shall be reviewed and may be extended by the BOI:

- (a) The purchase and importation of capital equipment, spare parts, and components used in the manufacture or assembly of electric vehicles and the construction of charging stations; and
- (b) The manufacture or assembly of completely knocked-down parts, semi knocked-down parts, and semi-built units of electric vehicles and the construction of charging stations.

EV users shall be granted the following fiscal incentives, which shall be available for nine (9) years from the effectivity of this Act:

- (a) Exemption from the payment of value added taxes in the purchase of EVs;
- (b) Exemption from the payment of the motor vehicle user's charge imposed by the LTO under Republic Act No. 8794, otherwise known as Motor Vehicle User's Charge Act; and

- (c) Exemption from on-street parking fees imposed LGUs to local traffic and zoning ordinances, and other similar rules and regulations.

Sec. 18. *Non-Fiscal Incentives.* – EV users shall be granted the following non-fiscal incentives, which shall remain in force from the effectivity of this Act until explicitly repealed:

- (a) Prioritization in the registration and renewal of registration, and issuance of a special type of vehicle plate by the LTO in accordance with Section 7(b) of this Act;
- (b) Exemption from the mandatory unified vehicular volume reduction program, number-coding scheme, or other similar schemes implemented by the MMDA, other similar agencies, and LGUs; and
- (c) Prioritization with the LTFRB in the approval of applications for franchise to operate, including its renewal, for PUV operators that are exclusively utilizing EVs.

Sec. 19. *Financial Assistance.* – Government financial institutions and other financial institutions, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, provide concessional financial packages for entities engaged in the activities mentioned in the first paragraph of Section 17 of this Act.

Sec. 20. *Public Access to Information.* – The DOE, DOTr, DTI, DENR, ERC, LTO, LTFRB, MMDA, LGUs, and other relevant government agencies shall allow public access to all data and information in relation to the implementation of this Act: *Provided, That* such access is subject to Section 21 of this Act.

Sec. 21. *Confidentiality.* – The DOE, DOTr, DTI, DENR, ERC, LTO, LTFRB, MMDA, LGUs, and other relevant government agencies shall not disclose any proprietary and confidential data unless prior consent of the source or owner of such data has been obtained by the requesting party, and that such disclosure is in accordance with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and other relevant laws and regulations.

300 Sec. 22. *Penalties.* – Without prejudice to civil liability, the following penalties
301 shall be imposed upon any person, both natural and juridical, found guilty of violating
302 Sections 11, 12, 13, and 14 of this Act:

- 303 (a) First Offense – the penalty of *arresto mayor* or a fine of twenty thousand pesos
304 (PhP 20,000.00), or both, at the discretion of the court;
305 (b) Second Offense – the penalty of *prision correccional* or a fine of fifty thousand
306 pesos (PhP 50,000.00), or both, at the discretion of the court; and
307 (c) Third Offense – the penalty of *prision mayor* or a fine of eighty thousand pesos
308 (PhP 80,000.00), or both, at the discretion of the court.

309 Sec. 23. *Congressional Oversight.* – The JCEC shall exercise oversight powers
310 over implementation of this Act. The DOE, DOTr, DTI, DENR, ERC, LTO, LTFRB,
311 MMDA, PCC, and other relevant government agencies shall submit annual reports,
312 which shall include the latest relevant data, implementation reports, and regulatory
313 issuances, among others, to the JCEC not later than the fifteenth day of September.

314 Sec. 24. *Implementing Rules and Regulations.* – The DOE together with the
315 DOTR, and in coordination with DTI, DENR, ERC, LTO, LTFRB, MMDA, PCC, and
316 other relevant government agencies and other electric power industry stakeholders,
317 shall issue the implementing rules and regulations of this Act within sixty (60) days
318 upon its effectivity.

319 Sec. 25. *Separability Clause.* – If any portion or provision of this Act is declared
320 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
321 remain in force and effect.

322 Sec. 26. *Repealing Clauses.* – Any law, presidential decree or issuance,
323 executive order, letter of instruction, rule or regulation inconsistent with the provisions
324 of this Act is hereby repealed or modified accordingly.

325 Sec. 27. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following
326 its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,