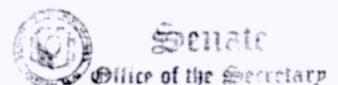


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

'19 JUL -2 P1:12

S.B. No. 174

RECEIVED BY:

Introduced by SEN. WIN GATCHALIAN

**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

A cursory survey of existing policy instruments governing the country's energy sector reveal twin mandates that are consistent across various legislative measures. First is the mandate of the government to reduce the country's dependence on imported fuel through the promotion of locally sourced energy.¹ Second is the directive of the government to utilize and promote environmentally clean and ecologically safe energy sources to address the country's energy needs.²

Based on a 2017 report prepared by the Department of Energy (DOE), the country sources 44.7% of its energy needs from abroad.³ Bulk of the country's imported energy is used to address the energy requirements of the local transportation sector accounting for 37.2% of the total energy consumption of the country.⁴

The local transportation sector is highly dependent on foreign energy sources, with the country importing around 98% of its crude oil requirements.⁵ This in turn makes the commuting and driving public highly vulnerable to oil price movements in the global marketplace. Similarly, this same amount of imported energy consumed by

¹ Republic Act No. 7156 (1991), Republic Act No. 7638 (1992), Republic Act No. 9136 (2001), Republic Act No. 9367 (2006), and Republic Act No. 9513 (2008).

² Republic Act No. 8479 (1998), Republic Act No. 9367 (2006), and Republic Act No. 9136 (2001).

³ Republic Act No. 8479 (1998), Republic Act No. 9367 (2006), and Republic Act No. 9136 (2001).

⁴ Philippine Energy Plan 2017-2040.

⁵ Id.

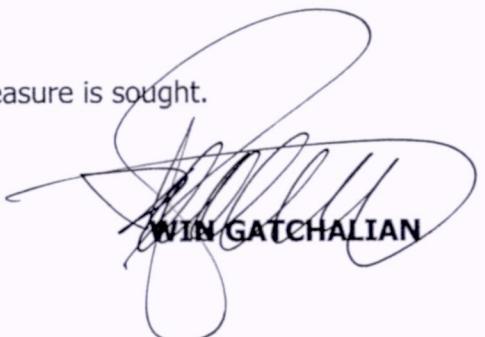
³ Based on <https://www.doe.gov.ph/downstream-oil>.

the local transportation sector results to around 23.5 million metric tons of carbon dioxide being released into the country's atmosphere, affecting the health and well-being of the population.

Adopting vehicles which run on electric motor instead of the traditional internal combustion engine will allow the transportation sector to comply with the twin policies of enhancing energy independence and promoting clean energy laid across the country's energy policies. Also, a 2018 study shows that the operation and maintenance of electric vehicles (EVs) are likewise cheaper for the riding public at PhP 2.75 per kilometer for an electric jeepney compared to PhP 4.50 per kilometer for a diesel powered jeepney.⁶ Notwithstanding the foregoing, the upfront costs of owning an EV remain considerably high.⁷ Furthermore, range anxiety due to inaccessibility of charging stations prevent customers from buying an EV.

This proposed measure creates a national policy and framework to encourage the uptake of electric vehicles in the public and private sector, which includes: (1) mandating all gasoline stations as well as public and private establishments to have designated parking areas for EVs; (2) requiring all designated EV parking areas to be installed with charging stations; (3) establishing an accreditation mechanism for all charging station service providers; (4) creating green routes exclusive to electric public utility vehicles; (5) including domestic EV manufacturing in the Investment Priorities Plan; and (6) providing value added tax exemption for purchase of electric vehicles.

For these reasons, the immediate passage of this measure is sought.

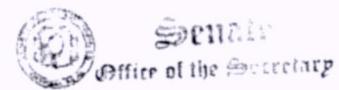


WIN GATCHALIAN

⁶ Ibid.

⁷ page 49. EV Policy Compared: An International Comparison of Governments' Policy Strategy Towards E-Mobility. E-Mobility in Europe, Green Energy and Technology. 2015.

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



19 JUL -2 P1:12

SENATE

S.B. No. 174

RECEIVED BY: 

Introduced by Senator WIN GATCHALIAN

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

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

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

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

14

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

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

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

1 is prepared by the distribution utility and submitted to the DOE for
2 integration with the Power Development Plan and the Philippine Energy
3 Plan. In the case of electric cooperatives, such plans shall be submitted
4 through the National Electrification Administration for review and
5 consolidation;

- 6 (i) *Distribution system* refers to the system of wires and associated facilities
7 belonging to a franchised distribution utility, extending between the delivery
8 points on the transmission, sub-transmission system, or generating plant
9 connection and the point of connection to the premises of the end-user;
- 10 (j) *Distribution utility (DU)* refers to any electric cooperative, private
11 corporation, or government-owned utility which has a franchise to operate a
12 distribution system including those whose franchise covers economic zones;
- 13 (k) *Electric vehicle (EV)* refers to either a battery electric vehicle or a plug-in
14 hybrid electric vehicle as defined under this Act;
- 15 (l) *Electric Vehicle Manufacturing Roadmap (EVMR)* refers to an annual plan to
16 incentivize, increase, and improve manufacturing of EVs and charging
17 stations in the country, whether for domestic or international use, taking
18 into consideration the EVR, Philippine Energy Plan, and Philippine
19 Development Plan as well as the incentives provided for in this Act and
20 other relevant laws, rules, and regulations;
- 21 (m) *Electric Vehicle Roadmap (EVR)* refers to an annual comprehensive plan to
22 accelerate the electrification of transportation. It shall include strategies
23 and measurable targets to increase EV adoption, hasten the build-out of
24 charging infrastructure, support the electrification of PUVs, incentivize
25 alignment with grid needs, and coordinate with grid modernization and
26 planning to maximize energy resources. It shall incorporate the Power
27 Development Plan and PUV modernization program, insofar as EVs and
28 charging stations are concerned. It shall be incorporated in the Philippine
29 Energy Plan;
- 30 (n) *Green routes* refer to public transportation routes created or identified by
31 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;
- (y) *Public buildings and establishments* refer to structures owned or leased by the government through its departments, agencies, bureaus, offices, corporations, and LGUs; and
- (z) *Public charging stations* refer to charging stations installed in public buildings and establishments, gasoline stations, and select private buildings and establishments which are available for use by the public for a fee.

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

- (a) Prepare the EVR together with the Department of Transportation (DOTr), in coordination with the Department of Trade and Industry (DTI), and other relevant government agencies;
- (b) Regularly accredit charging station service providers, and publish on its website a quarterly inventory of all accredited charging station service providers and a list of all charging stations in the country;
- (c) Require charging station service providers and DUs to submit their respective CSROPs and CIDPs;
- (d) Enforce compliance with mandatory open access installation of charging stations as required under Sections 12 and 13 of this Act;
- (e) Mandate the unbundling of charging fees imposed by public charging stations;
- (f) Aggregate and centralize data from ERC, DTI, DOTr, Department of Environment and Natural Resources (DENR), Land Transportation Office (LTO), Land Transportation Franchising and Regulatory Board (LTFRB), Metro

- 1 Manila Development Authority (MMDA), Philippine Competition Commission
2 (PCC), LGUs, and other relevant government agencies insofar as EVs and
3 charging stations are concerned; and
4 (g) Perform all other acts that are analogous to the foregoing, which are
5 necessary and incidental to accomplish the policy objectives of this Act.

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

- 9 (a) Promulgate uniform and streamlined rules, requirements, and standards for
10 the following:
11 (i) Application of charging station service providers with DUs,
12 (ii) Connection of charging stations to the distribution system, and
13 (ii) Operation of self-generating charging stations;
14 (b) Ensure charging stations are compliant with the PEC, PDC, PGC, and other
15 relevant laws, rules, regulations, and standards. The ERC shall conduct
16 regular inspections towards this end;
17 (c) Regulate the rates charged by DUs on all charging stations, taking into
18 account, among others, the utilization of the charging station, the promotion
19 of efficiency, the unique requirements of charging stations, and its effect on
20 the DU's demand profile and distribution system;
21 (d) Exercise exclusive jurisdiction over all matters that pertain to rate setting in
22 this Act; and
23 (e) Perform all other acts that are analogous to the foregoing, which are
24 necessary and incidental to accomplish the policy objectives of this Act.

25
26 *Sec. 7. Role of the Department of Transportation.* – In addition to its
27 functions under Executive Order No. 292, otherwise known as the Administrative
28 Code of 1987, as amended by Republic Act No. 10844, otherwise known as the
29 Department of Information and Communications Technology Act of 2015, the DOTR
30 shall:

- 31 (a) Prepare the EVR together with the DOE, in coordination with the DTI and
32 other relevant government agencies;

- 1 (b) Determine specific classifications for EVs, and promulgate uniform and
2 streamlined rules and requirements for their registration;
3 (c) Incorporate the electrification of PUVs in its PUV modernization program;
4 and
5 (d) Mandate the inclusion of green routes in the respective Local Public
6 Transport Route Plans of the LGUs.

7

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

- 10 (a) Establish national quality and safety standards for EVs, battery packs,
11 charging stations, and other associated equipment. These standards shall
12 include terminology, product, process, service, and interface;
13 (b) Prepare the EVMR, in coordination with DOE, DOTr, BOI, and other relevant
14 government agencies; and
15 (c) Coordinate with the DOE and DOTr in the preparation of the EVR.

16

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

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

24

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

32

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

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

16

17 Sec. 12. *Open Access Installation of Charging Stations in Dedicated Parking*
18 *Slots.* – Dedicated parking slots built in accordance with Section 11 shall be installed
19 with a charging station. *Provided*, That the owner of the private or public building or
20 establishment shall allow a third party charging station service provider to install,
21 operate, or maintain the charging station, or enter into any other contractual
22 arrangement with such third party charging station service provider in fair,
23 reasonable, and nondiscriminatory terms: *Provided further*, That the owner of the
24 private or public building or establishment may act as its own charging station
25 service provider by constituting itself as a charging station service provider pursuant
26 to the provisions of this Act: *Provided finally*, That if a DU engages in the business of
27 a charging station service provider, it shall do so in accordance with Section 26 of
28 Republic Act No. 9136.

29 Sec. 13. *Open Access Installation of Charging Stations in Gasoline Stations.* –
30 Gasoline stations shall designate dedicated spaces for the installation of charging
31 stations: *Provided*, That the owner of the gasoline station shall allow a third party
32 charging station service provider to install, operate, or maintain the charging station,

1 or enter into any other contractual arrangement with such third party charging
2 station service provider in fair, reasonable, and nondiscriminatory terms: *Provided*
3 *further*, That the owner of the gasoline station may act as its own charging station
4 service provider by constituting itself as a charging station service provider pursuant
5 to the provisions of this Act: *Provided finally*, That a gasoline station shall not be
6 issued a construction, operation, or compliance permit by the DOE unless the owner
7 submits a sworn affidavit that there is ample space for the construction of charging
8 stations within its premises.

9

10 Sec. 14. *Use of Charging Stations in Dedicated Parking Spaces and Gasoline*
11 *Stations*. – All charging stations installed in public buildings and establishments, and
12 gasoline stations shall be public charging stations. Private buildings and
13 establishments may designate public charging stations. Only public charging
14 stations shall be allowed to impose and collect charging fees.

15

16 Sec. 15. *Permits for the Installation of Charging Stations*. – All government
17 agencies including LGUs shall provide for a uniform and streamlined permitting
18 process for the installation, operation, maintenance, replacement, and removal of
19 charging stations: *Provided*, That the process shall be covered by the provisions of
20 Republic Act No. 11234, otherwise known as the Energy Virtual One-Stop Shop Act.

21

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

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

1

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

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

14

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

- 17 (a) Exemption from the payment of value added taxes in the purchase of EVs;
18 (b) Exemption from the payment of the motor vehicle user's charge imposed
19 by the LTO under Republic Act No. 8794, otherwise known as Motor
20 Vehicle User's Charge Act; and
21 (c) Exemption from on-street parking fees imposed LGUs to local traffic and
22 zoning ordinances, and other similar rules and regulations.

23

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

- 27 (a) Prioritization in the registration and renewal of registration, and issuance of
28 a special type of vehicle plate by the LTO in accordance with Section 7(b)
29 of this Act;
30 (b) Exemption from the mandatory unified vehicular volume reduction
31 program, number-coding scheme, or other similar schemes implemented
32 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.

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

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

1 Sec. 23. *Congressional Oversight.* – The JCEC shall exercise oversight powers
2 over implementation of this Act. The DOE, DOTR, DTI, DENR, ERC, LTO, LTFRB,
3 MMDA, PCC, and other relevant government agencies shall submit annual reports,
4 which shall include the latest relevant data, implementation reports, and regulatory
5 issuances, among others, to the JCEC not later than the fifteenth day of September.
6

7 Sec. 24. *Implementing Rules and Regulations.* – The DOE together with the
8 DOTR, and in coordination with DTI, DENR, ERC, LTO, LTFRB, MMDA, PCC, and
9 other relevant government agencies and other electric power industry stakeholders,
10 shall issue the implementing rules and regulations of this Act within sixty (60) days
11 upon its effectivity.
12

13 Sec. 25. *Separability Clause.* – If any portion or provision of this Act is
14 declared unconstitutional, the remainder of this Act or any provisions not affected
15 thereby shall remain in force and effect.
16

17 Sec. 26. *Repealing Clauses.* – Any law, presidential decree or issuance,
18 executive order, letter of instruction, rule or regulation inconsistent with the
19 provisions of this Act is hereby repealed or modified accordingly.
20

21 Sec. 27. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
22 following its complete publication in the Official Gazette or a newspaper of general
23 circulation.
24

Approved,