

DEPARTMENT CIRCULAR NO. _____

GUIDELINES ON BIOFUEL BLEND IMPLEMENTATION

WHEREAS, Section 5 of Republic Act No. 9367, otherwise known as “Biofuels Act of 2006” mandates that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuel component conforming to Philippine National Standards (PNS);

WHEREAS, Department of Energy (DOE) Department Circular No. DC2009-02-0002 mandated the implementation of two percent (2%) biodiesel blend by volume into all diesel fuel sold and distributed by each and every oil company in the country on February 05, 2009;

WHEREAS, DOE Department Circular No. DC2011-02-0001 mandated the implementation of ten percent (10%) bioethanol blend by volume into all gasoline fuel sold and distributed by each and every oil company in the country on February 06, 2012;

WHEREAS, Section 9 (c) of the Biofuels Act provides that the National Biofuels Board (NBB) is authorized to review and recommend to DOE the adjustment in the minimum mandated biofuels blends;

WHEREAS, the NBB, through resolution no. 2023-04, Series of 2023 approved on November 28, 2023, recommended to the DOE the mandatory implementation of biodiesel blend by volume into all diesel fuel sold and distributed by each and every oil company in the country at three percent (3%) in 2024, four percent (4%) in 2025 and five percent (5%) in 2026;

WHEREAS, the NBB, through resolution no. 2023-03, Series of 2023 dated approved on November 28, 2023, recommended likewise to the DOE the voluntary implementation by any interested oil company of the twenty percent (20%) bioethanol blend as an additional fuel option to consumers;

WHEREAS, the DOE conducted consultations with stakeholders, specifically the biofuel producers and the downstream oil industry, on the implementing guidelines for the new blend requirements;

NOW, THEREFORE, in consideration of the foregoing, the DOE hereby issues, adopts and promulgates the following:

Section 1. Scope and Application.

This Department Circular shall apply to all participants in the downstream oil and the local biofuel producer industries.

Section 2. Mandatory Implementation of Higher Biodiesel Blend.

All diesel fuel distributed and sold by each and every oil company in the country shall contain biodiesel blend at three percent (3%) effective July 01, 2024, four percent (4%) effective July 01, 2025, and five percent (5%) effective July 01, 2026.

Section 3. Voluntary Implementation of the Twenty Percent (20%) Bioethanol Blend.

The downstream oil sector may offer consumers of a gasoline fuel containing twenty percent (20%) bioethanol blend on voluntary basis.

Section 4. Compliance with Product Quality Standard.

The downstream oil industry shall strictly comply with the applicable DOE Department Circulars implementing the respective Philippine National Standards for both gasoline and diesel with biofuel blend.

Section 5. Compliance of the Downstream Oil Industry with the Accreditation, Notifications and Reportorial Requirements Pursuant to Biofuels Act.

5.1 Biodiesel.

The downstream oil industry shall comply with the accreditation, notifications and reportorial requirements prescribed by the DOE Department Circular No. DC2021-06-0014, known as the “Revised Circular on Accreditation and Submission of Notices and Reports by Refiners, Importers, and Own Users of Gasoline and Diesel Pursuant to the Biofuels Act” with the amended report below to reflect the increase in the level of blend:

Annex QRB-B or the Quarterly Reconciliation Report on the Biodiesel Blending Compliance for three percent (3%), four percent (4%), and five percent (5%).

5.2 Bioethanol.

- a. The downstream oil industry implementing the mandatory ten percent (10%) bioethanol blend shall comply with the accreditation, notifications and reportorial requirements prescribed by the DOE Department Circular No. DC2021-06-0014, known as the “Revised Circular on Accreditation and Submission of Notices and Reports by Refiners, Importers, and Own Users of Gasoline and Diesel Pursuant to the Biofuels Act”.
- b. An oil company offering consumers with gasoline containing the twenty percent (20%) bioethanol blend shall comply further with the separate submission to the DOE-Oil Industry Management Bureau (OIMB) of the

following notifications and reports exclusively containing information on the twenty percent (20%) bioethanol blend implementation:

- i. Notification Requirements:
 1. Notification letter informing the DOE-OIMB of its intent to offer the twenty percent bioethanol blend attached with summary list of participating liquid fuel retail outlet (Annex 1);
 2. Annex C - Notice to Import Bioethanol for E20 Implementation;
 3. Annex C - Notice to Purchase Locally-Sourced Bioethanol for E20 Implementation;
 4. Annex D - Notice to Sell or Purchase Imported Bioethanol for E20 Implementation; and
 5. Annex E- Notice to Denature Imported Bioethanol for E20 Implementation.
- ii. Reportorial Requirements:
 1. Annex MR-SUMM-Bioethanol – Monthly Report on Bioethanol Supply and Demand Summary for E20 Implementation;
 2. Annex MRE-A – Monthly Report on Bioethanol Importation for E20 Implementation;
 3. Annex MRE-B – Monthly Report on Local Purchase of Imported Bioethanol for E20 Implementation;
 4. Annex MRE-C – Monthly Report on Purchase of Locally-Sourced Bioethanol in Compliance to the Local Monthly Allocation (LMA) for E20 Implementation;
 5. Annex MRE-D – Monthly Report on Local Sale of Imported Bioethanol for E20 Implementation;
 6. Annex MRE-E – Monthly Report on Bioethanol Denaturing Liquidation for E20 Implementation;
 7. Annex QRE-A –Quarterly Projected Sales Report for E20 Implementation;
 8. Annex QRE-B – Quarterly Planned Liftings in Compliance to the Bioethanol Local Monthly Allocation (LMA) for E20 Implementation;

9. Annex QRE-C – Quarterly Reconciliation Report on Bioethanol Local Monthly Allocation (LMA) Compliance for E20 Implementation; and
10. Annex QRE-D – Quarterly Reconciliation Report on the Bioethanol Blending Compliance for E20 Implementation.

Section 6. Preparatory Requirements.

6.1 Downstream Oil Industry.

The downstream oil industry shall implement proper preparations to ensure the managerial and operational requirements for the transition to the higher biofuel blend.

a. Refinery, Depot and Import Terminal.

Among others, implementation of the following:

1. Sufficient and compatible storage capacity to accommodate the expected increase in biofuel supply;
2. Sufficient blending facility and implementation of accurate blending procedure; and
3. Sufficient and compatible transport system to accommodate the delivery of higher biofuel blend.

b. Retail Outlets.

Among others, if an oil company implements the twenty percent (20%) bioethanol blend:

1. Dedicated storage tank;
2. Dedicated dispensing pump;
3. Compliance to the appropriate label and signage of twenty percent (20%) bioethanol blend prescribed by the DOE Department Circular implementing the respective product Philippine National Standard; and
4. Trained pump attendant to guide the consumers in the twenty percent (20%) bioethanol blend offer. The compatibility of the vehicle to use the twenty percent (20%) bioethanol blend shall be dependent on the vehicle design. The pump attendant should ensure that the vehicle owner is fully

informed of the need to verify first whether the vehicle is designed to handle the twenty percent (20%) bioethanol blend through the information provided for by the vehicle manual and confirmed by its dealership.

6.2 Biofuel Producer Industry.

The biofuel producer industry shall implement proper preparations to ensure the managerial and operational requirements for the expected increase in demand for biofuel.

Among others, implementation of the following:

1. Access to sufficient feedstock;
2. Sufficient and compatible storage capacity to accommodate the expected increase in biofuel supply; and
3. Sufficient and compatible transport system to accommodate the delivery of higher biofuel blend.

Section 7. Separability Clause.

Should any provision of this Department Circular be subsequently declared invalid or unconstitutional, such parts that are not affected shall remain in full force and effect.

Section 8. Repealing Clause.

All other rules and regulations or parts thereof which are inconsistent with this Department Circular are hereby repealed or modified accordingly.

Section 9. Effectivity.

This Department Circular shall take effect immediately following its complete publication in two (2) newspapers of general circulation and submission of a copy to the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR).

Done this _____ of _____ 2024 at the DOE, Energy Center, Bonifacio Global City, Taguig City, Metro Manila.

RAPHAEL P. M. LOTILLA
Secretary