



Republic of the Philippines
DEPARTMENT OF ENERGY

August 6, 2018

The DOE-TCPA chaired by Oil Industry Management Bureau is tasked to formulate and review standard specifications for all types of fuel and fuel related products. Part of the standard procedure is to draft department circular to implement the promulgated standards and related guidelines.

Enclosed are copies of the draft Department circulars for your comments. We appreciate receiving your comments/positon thru mail or email at tcppasecretariat@gmail.com on or before **August 31, 2018** for it to be considered in the finalization of the said drafts. Non-receipt of your comments on the specified date shall be construed as an approval on the draft guidelines.

Thank you for your usual cooperation.

Very truly yours,

Dr. RINO E. ABAD
OIC-OIMB

ADTL/PSI/isa

DEPARTMENT CIRCULAR NO. _____

**IMPLEMENTING THE SPECIFICATIONS FOR PNS/DOE QS 008:2018,
E-GASOLINE FUEL - SPECIFICATION**

WHEREAS, there is a regional / global thrust towards harmonization of fuel quality standard specifications, vehicle technology and emission standards with due regard to the environment, vehicle performance, health and safety and for easier global / international trade;

WHEREAS, Section 5 (k) of Republic Act No. 7638 otherwise known as the "Department of Energy (DOE) Act of 1992," empowers the DOE to promulgate necessary rules and regulations to implement the objectives of the Act among which is the integration and rationalization of the various programs of the Government towards self-sufficiency and enhanced productivity in power and energy without sacrificing ecological concerns;

WHEREAS, Presidential Decree No. 1865 (PD No. 1865) prescribes penalties for shortselling and adulteration of petroleum and petroleum products and other acts in the definition of prohibited acts;

WHEREAS, Section 26 of Republic Act No. 8749, otherwise known as the "Philippine Clean Air Act of 1999" directs the DOE, together with the Department of Environment and Natural Resources (DENR), Bureau of Product Standards (BPS), and the Department of Science and Technology (DOST) and other stakeholders, to set specifications for all types of fuel and fuel-related products and improve fuel composition;

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, in accordance with the above mandate, the DOE has developed and subsequently promulgated by BPS on May 2018 the PNS/DOE QS 008:2018 as the current standard specifications for E-Gasoline, canceling and replacing PNS/DOE QS 008:2012;

WHEREAS, Section 3 of Department Circular No. 2015-06-0005 which amended Section 3.2 of Department Circular No. 2011-02-0001 allowed the temporary relaxation of the ethanol blend requirement of Premium Plus grade gasoline product (minimum 97 RON) of PNS/DOE QS 008:2012 during the period of deficiency in the locally produced bioethanol products opposite the demand;

WHEREAS, Department Circular No. 2017-11-0011 provides the revised rules and regulations governing the business of retailing liquid fuels.

NOW, THEREFORE, in consideration of all the foregoing, the DOE hereby requires all Downstream Oil Industry (DOI) participants engaged in the sale of petroleum products, whether in bulk or in retail, to comply with the following:

Section 1. Standard Implementation. All E10 gasoline sold in the country shall be in compliance with PNS/DOE QS 008:2018 E-gasoline Fuel - Specifications. The following specifications for E-gasoline shall apply:

- Regular grade - 91 RON, Minimum – green
- Premium grade - 95 RON, Minimum – red
- Premium Plus grade - 97 RON, Minimum – blue

Further, Section 3 of DC 2015-06-0005 on the temporary relaxation of premium plus gasoline grade remains in effect.

Section 2. Quality Monitoring. The DOE through the OIMB and the counterpart Field Offices, shall, among others, conduct random quality and quantity sampling and testing of gasoline obtained from the downstream oil facilities to ensure compliance with Section 1 of the Circular.

Section 3. Information Campaign. DOI participants shall ensure that their retail outlet personnel are fully aware and conversant of the products that they sell/dispense at the retail stations. Moreover, the oil companies are enjoined to conduct Information, Education Campaign (IEC) to their customers, especially on their new product brand name and the corresponding octane ratings.

Section 4. Prohibited Acts. The following acts are prohibited and penalized:

- A. Petroleum Fuel Product Adulteration – failure to meet the required product specification as prescribed by the products standards is punishable under Section 4 of PD No. 1865.
- B. Adulteration – The possession and sale of Liquid Fuels that do not conform with quality standards pursuant to the PNS and Biofuels Law shall be governed and sanctioned by the Act and its Implementing Rules and Regulations under Rule VIII Section 29 of DC 2017-11-0011.
- C. Sale of biofuel-blended gasoline or diesel that fails to comply with the minimum biofuel-blend by volume in violation of the requirement under Section 12 of RA 9367 and Rule 9 Section 33 of DC 2007-05-0006.
- D. Sale and possession of biofuel and biofuel blends which fail to conform with the PNS is punishable under Chapter VIII Section 1 of Joint Administrative Order No. 2008-1, Series of 2008, otherwise known as “Guidelines Governing the Biofuel Feedstocks Production, and Biofuels and Biofuel Blends Production, Distribution and Sale under Republic Act No. 9367”.

Section 5. Penalties / Sanctions. Any person who fails to comply with the prescribed PNS herein shall be subject to appropriate sanctions imposed under applicable laws, rules and regulations as stated in Section 4.

Section 6. Repealing Clause. All circulars and issuances not consistent with this Circular shall be modified and repealed accordingly.

Section 7. Effectivity and Publication. This Circular shall be effective upon its publication in a newspaper of general circulation and shall remain in effect until revoked.

Issued at Energy Center, Bonifacio Global City, Taguig City.

ALFONSO G. CUSI
Secretary

DEPARTMENT CIRCULAR NO. _____

**PROPER RETENTION OF DUPLICATE LIQUID PETROLEUM FUEL SAMPLES IN
DEPOTS AND RETAIL OUTLETS**

WHEREAS, pursuant to Memorandum Circular No. 2001-02-001, retention of duplicate samples by the depots/bulk facilities was accordingly institutionalized in the product quality monitoring procedure of the DOE. Access to the retained duplicate samples is allowed to settle, with finality, contested DOE-National Petroleum Testing Laboratory test results on DOE-held samples.

WHEREAS, Rule V, Sections 19 and 20 of Department Circular No. 2017-11-0011 (Promulgating a Revised Rules and Regulations Governing the Business of Retailing Liquid Fuels), requires all industry players engaged in the marketing of liquid petroleum fuels to provide in their place of business sample bottles for use in retaining duplicate samples taken in the course of inspection made by representatives of the Department of Energy (DOE);

NOW, THEREFORE, Industry players are required to observe the following guidelines in retaining duplicate petroleum samples at the depot and retail outlets:

1. Sample bottles must be clean and shall have the following specifications.

Description	Specifications
Material	Glass
Color	Amber or Clear
Volume Capacity	1.0 liter (min.)
Cover	Screw-cap; Air-tight
Orifice (dia.)	1.0" (min)

2. Minimum volume per petroleum product retained as duplicate sample shall be one liter.
3. Integrity of the retained duplicate petroleum samples shall be ensured through the following procedures:
 - o Appropriate labeling and sealing of sample bottle shall be made by OIMB inspector indicating important information including product name and date taken.
 - o DOE inspector/representative shall affix a distinguishable mark on the sample security seal.
 - o The sealed samples shall be stored in a safe and preferably cool place not exposed to light to preserve its properties.

- Disposition of the samples from *depots* shall be undertaken only upon receipt of the official letter from DOE permitting thereof or after six (6) months from the time the sample was taken.
 - On the other hand, disposition of the samples from *retail outlets* shall be undertaken only upon receipt of the official letter from DOE permitting thereof or after three (3) months from the time the sample was taken.
4. In the absence of retained sample, the oil company forfeits its right to contest DOE laboratory test result in case of a failed result.

Issued at Energy Center, Bonifacio Global City, Taguig

ALFONSO G. CUSI
Secretary