

**Republic of the Philippines**  
**DEPARTMENT OF ENERGY**

**DEPARTMENT CIRCULAR NO. 2005-04-003**

**PROMOTING THE USE OF COCO-BIODIESEL  
AS AN ALTERNATIVE CLEAN FUEL**

**WHEREAS**, Republic Act No. 7638, An Act Creating the Department of Energy declares that it shall be the policy of the State to develop the country's indigenous energy resources taking into consideration the active participation of the private sector in the various areas of energy resource development.

**WHEREAS**, Republic Act 8749, otherwise known as the Clean Air Act mandates the use of environmentally clean fuels which meets specified emission standards to ensure a clean and healthy air for the citizenry and to contribute to the global effort of reducing Greenhouse Gases (GHG).

**WHEREAS**, the world crude oil reserve is near halfway mark and projected to be critical by the year 2040.

**WHEREAS**, it is imperative to address problem by actively pursuing development of clean fuels through alternative energies for the long-term energy security of the country.

**WHEREAS**, the development of alternative energies such as CNG, LNG, LPG, and Ethanol although underway, still require considerable leadtime for the needed logistic infrastructure and replacement or modification of engines.

**WHEREAS**, Coco-Biodiesel as a fuel is already in commercial production and is immediately available to supply 1% of the country's diesel fuel volume and requires no logistic infrastructure nor engine modifications for its full implementation.

**WHEREAS**, in recognizing the excellent environmental and economic potential of Coco-Biodiesel, President Gloria Macapagal-Arroyo signed Memorandum Circular No. 55 (2004) mandating government agencies, offices and instrumentalities to mix 1% blend of Coco-Biodiesel in the fuel of their vehicles as the first step before full implementation of a national Coco-Biodiesel program.

**WHEREAS**, the Department of Energy has been tasked to monitor and ensure its compliance and success. However, its implementation is constrained by the lack of supply points.

**WHEREAS**, there is a need to develop the local market to enhance interest in accelerating coconut replanting as well as in promoting the entry of new plant investments.

**NOW THEREFORE**, premises considered the Department establishes the following guidelines:

1. Oil companies operating in the Philippines are enjoined to support the alternative energy program of the Department by making available Coco-Biodiesel ( in bottle) as a retail shelf item in all their gas stations nationwide subject to the following requirements:

a. The coco-biodiesel brand name must be duly registered with the Department of Energy and must have been issued a Certificate of Fuel Additive Registration No. (CFAR No.) by the Department of Energy to ensure proper quality of the product;

b. The brand owner of the Coco-Biodiesel shall carry the product liability risk in the unlikely event that damage to an engine can be proven as being caused by such Coco-Biodiesel brand;

c. The supplier of such Coco-Biodiesel brand (and/or the oil company itself) shall conduct proper technical briefing, seminar, or training to gas station dealers to ensure that the benefits of coco-biodiesel can be properly communicated, explained, and promoted to the motoring public so that misconception, misinformation, or simply lack of knowledge, may not unduly destroy or sabotage the Coco-Biodiesel program.

2. Oil companies are requested to lend the expertise of their Technical Managers in the development of renewable fuels similar to the support given to auto manufacturers.

3. Local Government Units (LGU's) are likewise enjoined to issue the proper ordinances to ensure compliance with this Circular.

This Circular shall take effect immediately.

Fort Bonifacio, Taguig, Metro Manila, March 1, 2005

**(Sgd.) VINCENT S. PÉREZ**  
**Secretary**