



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT ORDER NO. D02019-01-0002

REPEALING THE IMPLEMENTATION OF DEPARTMENT ORDER NO. 2018-08-0012

WHEREAS, in 10 August 2018, the Department of Energy has issued a Department Order (DO) No. 2018-08-0012 directing the Philippine Downstream Oil Industry to offer Euro II compliant diesel as fuel option for the transport and industry sector as a means to mitigate the impact of rising imported petroleum prices in the world market considering the price difference of Euro II and Euro IV compliant diesel;

WHEREAS, the Joint Congressional Oversight Committee on Biofuels in a hearing in August 30, 2018 recommended to the DOE to review or cancel the said Order given that the costs outweigh the intended benefit;

WHEREAS, in consultation with the oil companies on the implementation of the DO, the oil companies have chosen not to re-introduce the Euro II Diesel fuel at the retail stations, and rather expressed to exercise their option to improve the PUV discount lane, and expanded the number of nominated stations for the governments Pantawid Pasada Program;

WHEREAS, there are other oil companies who have initiated their own Corporate Social Responsibility (CSR) Programs as a preferred option to support the government in mitigating the impact of rising fuel prices for the public transport sector;

WHEREAS, current movements of petroleum products prices and forex have experienced a downtrend and become relatively stable such that current diesel pump price is now even lower than the January 2018 level which consequently put the price difference of Euro II and Euro IV diesel fuel almost insignificant;

WHEREAS, the DOE in partnership with stakeholders and other government agencies have come up with various mitigating measures for the benefit of the transport sector particularly the PUJ/PUV sectors such as:

- In addition to the first provision of PUVs discount lane as signed under Memorandum of Agreement (MOAs) with three (3) oil companies namely Petron, Shell and Phoenix in March 28, 2018, seven (7) more oil companies have also participated in the said Program even without official MOAs namely, Caltex, Total, PTT, Seaoil, Jetti, Unioil, and Filpride which brings now a total of 1,317 number of participating stations.
- The Department of Transportation (DOTr) and the Land Transportation Franchising and Regulatory Board (LTFRB) have rolled-out the Pantawid Pasada Program in August 28, 2018 for the distribution/awarding of fuel cards subsidy to eligible recipients.
- The LTFRB has also granted the transport groups' petition to increase the minimum jeepney fare from Php8.00 to Php9.00 or Php10.00.

NOW, THEREFORE, in consideration of all the foregoing, the DOE hereby requires all oil industry participants engaged in the marketing and retailing of petroleum products to comply with the following:

1. Oil companies shall no longer have the option to offer the Euro-II compliant diesel or 500 ppm, max. sulfur content diesel fuel for the transport and industry sector.
2. Accordingly, the DOE shall, among others, continue to conduct random quality and quantity sampling and testing of diesel oil obtained from the oil depots, terminals, refineries and retail outlets to ensure compliance with standards and rules and regulations.
3. The oil companies shall continue to conduct regular monitoring of all its activities at the refineries, bulk plants, terminals, depots, tank trucks and retail outlets nationwide to ensure that the quality of all diesel oils being sold meets the latest diesel oil specifications as well as the effective implementation of this Circular.

This Department Order shall take effect immediately. Department Order No. 2018-08-0012 is hereby deemed repealed by this Department Order.

Fort Bonifacio, Taguig City, Metro Manila, DEC 28, 2018.


ALFONSO G. CUSI
Secretary



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IN REPLYING PLS. CITE:

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