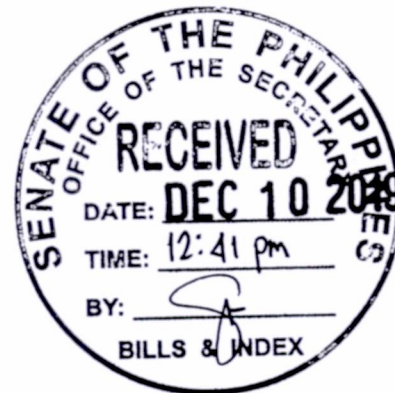


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S.B. No. 1223

INTRODUCED BY: SENATOR EMMANUEL D. PACQUIAO

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

The World Health Organization (WHO) reported that the transport sector is the fastest growing source of climate emissions. According to the Intergovernmental Panel on Climate Change (IPCC), transport accounted for about 23% of global carbon dioxide emissions in 2010. These vehicle exhaust emissions prompt environmental costs such as acid rain, dust haze, and photochemical smog in many cities contaminated by such emissions.

While the Philippines has a minimal share in the global emissions, the perils brought by climate change transcend and affect all the nations. Moreover, our country has committed to reduce our carbon emissions by 70% by 2030 under the Paris Agreement on Climate Change, which the Philippines ratified on March 2017.

The European Parliament reported that there are two ways to reduce CO2 emissions from vehicles: one is by making cars more efficient, another is by changing the fuel used. The use of electric cars are already proved to be cleaner than vehicles running on petrol.

Accordingly, there is an urgency to actively intensify the use of electric and hybrid vehicles and impede the use of gasoline and diesel powered vehicles to lower the country's carbon emissions and improve our air quality. This will also promote foreign investments given the global trend of gearing towards the use of environmental-friendly vehicles.

This bill seeks to promote the use of electric and hybrid vehicles by providing incentives to both end-users and manufacturers. This measure will lead us to a step closer to our commitment in reducing greenhouse gas emissions and encourage sustainable and environment-friendly alternatives to the current mode of transportation.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


EMMANUEL D. PACQUIAO



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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 and Charging
2 Stations Act.”

3
4 **Sec. 2. Scope and Application.** – This Act shall apply to the manufacture, importation,
5 installation, and utilization of electric vehicles and charging stations.

6
7 **Sec. 3. Definition of Terms.** – For purposes of this Act, the following terms shall be defined as
8 stated below:

9 (a) *Battery electric vehicle* refers to a private, government-owned, or public utility
10 vehicle (PUV) which is propelled by an electric motor engine, and powered by energy
11 stored in an on-board battery pack which is charged through a charging station and
12 used on public highways;

13 (b) *Battery pack* refers to a completely functional system that includes battery modules,
14 battery support systems, and battery-specific controls used to store and discharge
15 electrical energy in an electric vehicle;

16 (c) *Charging fee* refers to the amount imposed on electric vehicle users in exchange for
17 the use of facilities of public charging stations. Its individual components shall be
18 unbundled pursuant to regulations issued by the Energy Regulatory Commission
19 (ERC);

- 1 (d) *Charging station* refers to the physical infrastructure built and designed to deliver
2 electrical energy from an electricity source to a battery pack. Its components include
3 connectors, conductors, fittings, and other associated equipment. It may be for private
4 or public use;
- 5 (e) *Charging Station Roll-Out Plan (CSROP)* refers to a proposed plan of a particular
6 charging station service provider to install and operate charging stations in specific
7 gasoline stations as well as private and public buildings and establishments within the
8 franchised area of a distribution utility;
- 9 (f) *Charging station service provider* refers to a natural or juridical person, duly
10 registered with the Department of Energy (DOE), who sells, installs, maintains, owns,
11 or operates charging stations or any of its components for a fee;
- 12 (g) *Charging Infrastructure Development Plan (CIDP)* refers to the annual report
13 submitted by distribution utilities to the DOE outlining, among others, the siting of
14 existing and planned charging stations and synchronization of charging stations with
15 the distribution system. It shall be incorporated in the Distribution Development Plan
16 and Power Development Plan. The CIDP shall consider the submitted CSROP of a
17 charging station service provider which intends to operate in a distribution utility's
18 franchise area;
- 19 (h) *Distribution Development Plan (DDP)* refers to the expansion, reinforcement, and
20 rehabilitation program of the distribution system, which is prepared by the
21 distribution utility and submitted to the DOE for integration with the Power
22 Development Plan and the Philippine Energy Plan. In the case of electric
23 cooperatives, such plans shall be submitted through the National Electrification
24 Administration for review and consolidation;
- 25 (i) *Distribution system* refers to the system of wires and associated facilities belonging
26 to a franchised distribution utility, extending between the delivery points on the
27 transmission, sub-transmission system, or generating plant connection and the point
28 of connection to the premises of the end-user;
- 29 (j) *Distribution utility (DU)* refers to any electric cooperative, private corporation, or
30 government-owned utility which has a franchise to operate a distribution system
31 including those whose franchise covers economic zones;
- 32 (k) *Electric vehicle (EV)* refers to either a battery electric vehicle or a plug-in hybrid
33 electric vehicle as defined under this Act;

- 1 (l) *Electric Vehicle Manufacturing Roadmap (EVMR)* refers to an annual plan to
2 incentivize, increase, and improve manufacturing of EVs and charging stations in the
3 country, whether for domestic or international use, taking into consideration the EVR,
4 Philippine Energy Plan, and Philippine Development Plan as well as the incentives
5 provided for in this Act and other relevant laws, rules, and regulations;
- 6 (m) *Electric Vehicle Roadmap (EVR)* refers to an annual comprehensive plan to accelerate
7 the electrification of transportation. It shall include strategies and measurable targets
8 to increase EV adoption, hasten the build-out of charging infrastructure, support the
9 electrification of PUVs, incentivize alignment with grid needs, and coordinate with
10 grid modernization and planning to maximize energy resources. It shall incorporate
11 the Power Development Plan and PUV modernization program, insofar as EVs and
12 charging stations are concerned. It shall be incorporated in the Philippine Energy
13 Plan;
- 14 (n) *Green routes* refer to public transportation routes created or identified by local
15 government units (LGUs) to be exclusively traversed by electric PUVs;
- 16 (o) *Joint Congressional Energy Commission (JCEC)* refers to the joint congressional
17 body created under Republic Act No. 9136, otherwise known as the Electric Power
18 Industry Reform Act of 2001, and renamed pursuant to Republic Act No. 11285,
19 otherwise known as the Energy Efficiency and Conservation Act;
- 20 (p) *Investment Priorities Plan (IPP)* refers to the annual over-all plan prepared by the
21 Board of Investments (BOI) under Article 26 of Executive Order No. 226, otherwise
22 known as the Omnibus Investments Code of 1987;
- 23 (q) *Philippine Distribution Code (PDC)* refers to the set of rules that governs the
24 distribution system in the country promulgated by the ERC pursuant to its mandate
25 under Republic Act No. 9136;
- 26 (r) *Philippine Electrical Code (PEC)* refers to the set of rules that ensures safety in
27 electrical installation and construction mandated under Republic Act No. 7920,
28 otherwise known as the New Electrical Engineering Law;
- 29 (s) *Philippine Grid Code (PGC)* refers to the set of rules and regulations governing the
30 reliable operation, maintenance, and development of the high-voltage backbone
31 transmission system and its related facilities as promulgated by the ERC pursuant to
32 its mandate under Republic Act No. 9136;

- 1 (t) *Philippine Energy Plan (PEP)* refers to the overall energy program formulated and
2 updated yearly by the DOE and submitted to Congress pursuant to Republic Act No.
3 7638, otherwise known as the Department of Energy Act of 1992;
- 4 (u) *Plug-in hybrid electric vehicle* refers to a private, government-owned, or PUV which
5 is propelled by a combination of a traditional internal combustion engine and an
6 electric motor engine, and powered by energy stored in an on-board battery pack
7 which is charged through a charging station and used on public highways;
- 8 (v) *Power Development Plan (PDP)* refers to the indicative plan for managing electricity
9 demand through energy-efficient programs and for the upgrading, expansion,
10 rehabilitation, repair, and maintenance of power generation and transmission
11 facilities, formulated and updated yearly by the DOE in coordination with the
12 generation, transmission, and distribution utilities;
- 13 (w) *Private buildings and establishments* refer to residential, commercial, and industrial
14 structures owned or leased by private persons or juridical entities, and in the case of
15 commercial and industrial structures, whose goods and services are available to the
16 public;
- 17 (x) *Private charging stations* refer to charging stations installed in private buildings and
18 establishments which are not open for use by the public;
- 19 (y) *Public buildings and establishments* refer to structures owned or leased by the
20 government through its departments, agencies, bureaus, offices, corporations, and
21 LGUs; and
- 22 (z) *Public charging stations* refer to charging stations installed in public buildings and
23 establishments, gasoline stations, and select private buildings and establishments
24 which are available for use by the public for a fee.

25
26 **Sec. 5. Role of the Department of Energy.** – The DOE shall determine the general policy
27 direction and specific policy measures required to promote the adoption of EVs and charging
28 stations, and shall:

- 29 (a) Prepare the EVR together with the Department of Transportation (DOTr), in
30 coordination with the Department of Trade and Industry (DTI), and other relevant
31 government agencies;
- 32 (b) Regularly accredit charging station service providers, and publish on its website a
33 quarterly inventory of all accredited charging station service providers and a list of all
34 charging stations in the country;

- 1 (c) Require charging station service providers and DUs to submit their respective CSROPs
2 and CIDPs;
- 3 (d) Enforce compliance with mandatory open access installation of charging stations as
4 required under Sections 12 and 13 of this Act;
- 5 (e) Mandate the unbundling of charging fees imposed by public charging stations;
- 6 (f) Aggregate and centralize data from ERC, DTI, DOTr, Department of Environment and
7 Natural Resources (DENR), Land Transportation Office (LTO), Land Transportation
8 Franchising and Regulatory Board (LTFRB), Metro Manila Development Authority
9 (MMDA), Philippine Competition Commission (PCC), LGUs, and other relevant
10 government agencies insofar as EVs and charging stations are concerned; and
- 11 (g) Perform all other acts that are analogous to the foregoing, which are necessary and
12 incidental to accomplish the policy objectives of this Act.
- 13

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

- 16 (a) Promulgate uniform and streamlined rules, requirements, and standards for the
17 following:
- 18 (i) Application of charging station service providers with DUs,
19 (ii) Connection of charging stations to the distribution system, and
20 (ii) Operation of self-generating charging stations;
- 21 (b) Ensure charging stations are compliant with the PEC, PDC, PGC, and other relevant
22 laws, rules, regulations, and standards. The ERC shall conduct regular inspections
23 towards this end;
- 24 (c) Regulate the rates charged by DUs on all charging stations, taking into account,
25 among others, the utilization of the charging station, the promotion of efficiency, the
26 unique requirements of charging stations, and its effect on the DU's demand profile
27 and distribution system;
- 28 (d) Exercise exclusive jurisdiction over all matters that pertain to rate setting in this Act;
29 and
- 30 (e) Perform all other acts that are analogous to the foregoing, which are necessary and
31 incidental to accomplish the policy objectives of this Act.
- 32

33 **Sec. 7. *Role of the Department of Transportation.*** – In addition to its functions under Executive
34 Order No. 292, otherwise known as the Administrative Code of 1987, as amended by Republic

1 Act No. 10844, otherwise known as the Department of Information and Communications
2 Technology Act of 2015, the DOTr shall:

- 3 (a) Prepare the EVR together with the DOE, in coordination with the DTI and other
4 relevant government agencies;
- 5 (b) Determine specific classifications for EVs, and promulgate uniform and streamlined
6 rules and requirements for their registration;
- 7 (c) Incorporate the electrification of PUVs in its PUV modernization program; and
- 8 (d) Mandate the inclusion of green routes in the respective Local Public Transport Route
9 Plans of the LGUs.

10
11 *Sec. 8. Role of the Department of Trade and Industry.* – In addition to its functions
12 under existing laws, the DTI shall:

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

19
20 *Sec. 9. Role of Local Government Units.* – In addition to its functions under Republic Act No.
21 7160, otherwise known as the Local Government Code of 1992, LGUs shall:

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

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

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

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

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

26 **Sec. 13. *Open Access Installation of Charging Stations in Gasoline Stations.*** – Gasoline
27 stations shall designate dedicated spaces for the installation of charging stations: *Provided*,
28 That the owner of the gasoline station shall allow a third party charging station service provider
29 to install, operate, or maintain the charging station, or enter into any other contractual
30 arrangement with such third party charging station service provider in fair, reasonable, and
31 nondiscriminatory terms: *Provided further*, That the owner of the gasoline station may act as
32 its own charging station service provider by constituting itself as a charging station service
33 provider pursuant to the provisions of this Act: *Provided finally*, That a gasoline station shall
34 not be issued a construction, operation, or compliance permit by the DOE unless the owner

1 submits a sworn affidavit that there is ample space for the construction of charging stations
2 within its premises.

3
4 **Sec. 14. *Use of Charging Stations in Dedicated Parking Spaces and Gasoline Stations.*** – All
5 charging stations installed in public buildings and establishments, and gasoline stations shall
6 be public charging stations. Private buildings and establishments may designate public
7 charging stations. Only public charging stations shall be allowed to impose and collect
8 charging fees.

9
10 **Sec. 15. *Permits for the Installation of Charging Stations.*** – All government agencies including
11 LGUs shall provide for a uniform and streamlined permitting process for the installation,
12 operation, maintenance, replacement, and removal of charging stations: *Provided*, That the
13 process shall be covered by the provisions of Republic Act No. 11234, otherwise known as the
14 Energy Virtual One-Stop Shop Act.

15
16 **Sec. 16. *Duties and Responsibilities of Charging Station Service Providers.*** – A charging
17 station service provider shall have the following duties and responsibilities:

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

27
28 **Sec. 17. *Fiscal Incentives.*** – The following activities shall be included in the annual IPP of the
29 BOI and shall be entitled to the incentives provided under Executive Order No. 226 and other
30 applicable laws for ten (10) years from the effectivity of this Act: *Provided*, That after the
31 aforementioned period, the inclusion of these activities in the annual IPP shall be reviewed and
32 may be extended by the BOI:

1 (a) The purchase and importation of capital equipment, spare parts, and components
2 used in the manufacture or assembly of electric vehicles and the construction of
3 charging stations; and

4 (b) The manufacture or assembly of completely knocked-down parts, semi knocked-
5 down parts, and semi-built units of electric vehicles and the construction of charging
6 stations.

7
8 EV users shall be granted the following fiscal incentives, which shall be available for nine (9)
9 years from the effectivity of this Act:

10 (a) Exemption from the payment of value added taxes in the purchase of EVs;

11 (b) Exemption from the payment of the motor vehicle user's charge imposed by the LTO
12 under Republic Act No. 8794, otherwise known as Motor Vehicle User's Charge
13 Act; and

14 (c) Exemption from on-street parking fees imposed LGUs to local traffic and zoning
15 ordinances, and other similar rules and regulations.

16
17 **Sec. 18. *Incentives for Manufacturers or Assemblers.*** – The provision of any special or general
18 law to the contrary notwithstanding, the manufacture or assembly of completely knocked-down
19 (CKD) parts of electric and hybrid vehicles including charging stations shall be exempt from
20 the payment of excise taxes and duties for nine (9) years from the effectivity of this Act.

21
22 The imposition of Value Added Tax (VAT) for the purchase and importation of capital
23 equipment, spare parts, and components used in the manufacture or assembly of electric and
24 hybrid vehicles including charging stations shall be suspended for nine (9) years from the
25 effectivity of this Act.

26 **Sec. 19. *Incentives for Importers.*** – The provision of any special or general law to the contrary
27 notwithstanding, the importation of completely build units (CBUs) of electric and hybrid
28 vehicles shall be exempt from the payment of excise taxes and duties for three (3) years from
29 the effectivity of this Act.

30
31 **Sec. 20. *Exemption from the Payment of Motor Vehicle User's Charge (MVUC).*** – Electric and
32 hybrid vehicles shall be exempt from the payment of the Motor Vehicle User's Charge
33 (MVUC) imposed by the Land Transportation Office (LTO) under Republic Act No. 8794,

1 otherwise known as “Motor Vehicles User’s Charge (MVUC) Act” for nine (9) years from the
2 effectivity of this Act.

3
4 **Sec. 21. *Non-Fiscal Incentives.*** – EV users shall be granted the following non-fiscal incentives,
5 which shall remain in force from the effectivity of this Act until explicitly repealed:

- 6 (a) Prioritization in the registration and renewal of registration, and issuance of a special
7 type of vehicle plate by the LTO in accordance with Section 7(b) of this Act;
8 (b) Exemption from the mandatory unified vehicular volume reduction program,
9 number-coding scheme, or other similar schemes implemented by the MMDA, other
10 similar agencies, and LGUs; and
11 (c) Prioritization with the LTFRB in the approval of applications for franchise to
12 operate, including its renewal, for PUV operators that are exclusively utilizing EVs.

13
14 **Sec. 22. *Financial Assistance.*** – Government financial institutions and other financial
15 institutions, in accordance with and to the extent allowed by the enabling provisions of their
16 respective charters or applicable laws, provide concessional financial packages for entities
17 engaged in the activities mentioned in the first paragraph of Section 17 of this Act.

18
19 **Sec. 23. *Public Access to Information.*** – The DOE, DOTr, DTI, DENR, ERC, LTO, LTFRB,
20 MMDA, LGUs, and other relevant government agencies shall allow public access to all data
21 and information in relation to the implementation of this Act: *Provided*, That such access is
22 subject to Section 21 of this Act.

23
24 **Sec. 24. *Confidentiality.*** – The DOE, DOTr, DTI, DENR, ERC, LTO, LTFRB, MMDA, LGUs,
25 and other relevant government agencies shall not disclose any proprietary and confidential data
26 unless prior consent of the source or owner of such data has been obtained by the requesting
27 party, and that such disclosure is in accordance with Republic Act No. 10173, otherwise known
28 as the Data Privacy Act of 2012, and other relevant laws and regulations.

29
30 **Sec. 25. *Penalties.*** – Without prejudice to civil liability, the following penalties shall be
31 imposed upon any person, both natural and juridical, found guilty of violating Sections 11, 12,
32 13, and 14 of this Act:

- 33 (a) First Offense – the penalty of *arresto mayor* or a fine of twenty thousand pesos (PhP
34 20,000.00), or both, at the discretion of the court;

1 (b) Second Offense – the penalty of *prision correccional* or a fine of fifty thousand pesos
2 (PhP 50,000.00), or both, at the discretion of the court; and

3 (c) Third Offense – the penalty of *prision mayor* or a fine of eighty thousand pesos (PhP
4 80,000.00), or both, at the discretion of the court.

5
6 **Sec. 26. Congressional Oversight.** – The JCEC shall exercise oversight powers over
7 implementation of this Act. The DOE, DOTr, DTI, DENR, ERC, LTO, LTFRB, MMDA, PCC,
8 and other relevant government agencies shall submit annual reports, which shall include the
9 latest relevant data, implementation reports, and regulatory issuances, among others, to the
10 JCEC not later than the fifteenth day of September.

11
12 **Sec. 27. Implementing Rules and Regulations.** – The DOE together with the DOTR, and in
13 coordination with DTI, DENR, ERC, LTO, LTFRB, MMDA, PCC, and other relevant
14 government agencies and other electric power industry stakeholders, shall issue the
15 implementing rules and regulations of this Act within sixty (60) days upon its effectivity.

16
17 **Sec. 28. Separability Clause.** – If any portion or provision of this Act is declared
18 unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain
19 in force and effect.

20
21 **Sec. 29. Repealing Clauses.** – Any law, presidential decree or issuance, executive order, letter
22 of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed
23 or modified accordingly.

24
25 **Sec. 30. Effectivity Clause.** – This Act shall take effect fifteen (15) days following its complete
26 publication in the Official Gazette or a newspaper of general circulation.

Approved,