

Department Circular No. DC 2011-02-0001

MANDATORY USE OF BIOFUEL BLEND

WHEREAS, Section 5.2 of [Republic Act No. 9367](#), or the “[Biofuels Act of 2006](#)” provides:

“Within four years from the effectivity of this [Act](#), the [NBB](#) created under this [Act](#) is empowered to determine the feasibility and thereafter recommend to [DOE](#) to mandate a minimum of ten percent (10%) blend of bioethanol by volume into all gasoline fuel distributed and sold by each and every oil company in the country.”

WHEREAS, the [Department of Energy \(DOE\)](#) recognizes and adheres to the policy, objectives and mandate of the [Biofuels Act of 2006](#);

WHEREAS, after extensive public consultation with all stakeholders in 2009-2011, including scientific tests and studies conducted by technical experts, the [National Biofuels Board \(NBB\)](#) established the viability of implementing the general mandate of ten percent (10%) for bioethanol sold and distributed by every oil company under specific terms and conditions;

WHEREAS, in a resolution dated February 3, 2011, the [NBB](#) recommended to the [DOE](#) the implementation of the general mandate of ten percent (10%) blend of bioethanol for gasoline fuel under specific terms and conditions and the conduct of further public consultation to determine the feasibility of increasing the current two percent (2%) blend for biodiesel;

NOW, THEREFORE, in consideration of all the foregoing, the [DOE](#) hereby issues, adopts and promulgates the following mandatory use of biofuel blend:

SECTION 1. *Scope and Application.* – This Circular shall apply to all participants in the downstream oil industry and the local biofuel producers.

SEC. 2. *Adherence to Declared State Policy.* – By this Circular, the [DOE](#) strictly adheres to the importance and significance of the objective of the [Biofuels Act of 2006](#) to mandate the use of biofuels as a measure to, among others, develop and utilize indigenous renewable and sustainably-sourced clean energy sources to reduce dependence on imported oil, mitigate toxic and greenhouse gas emissions, increase rural employment and income and ensure availability of alternative and renewable clean energy without any detriment to the natural ecosystem, biodiversity and food reserves of the country. All downstream oil industry participants and bioethanol producers are enjoined to strictly comply with the provisions of this Circular.

SEC. 3. *Bioethanol Blend.* –

3.1. *Ten Percent (10%).* The ten percent (10%) blend of bioethanol by volume into all gasoline fuel distributed and sold by each and every oil company in the country, subject to certain exempt gasoline grades, shall commence beginning August 6, 2011. This transition period shall allow all oil companies to put in place appropriate adjustments and logistics, including blending methodologies and facilities at their respective refineries, depots and blending facilities that are in accordance with duly accepted international standards and the [Philippine National Standards \(PNS\)](#).

- 3.2. **Exempt Gasoline Grades.** From August 6, 2011 until full implementation on February 6, 2012, the following gasoline grades as determined in accordance with the [PNS](#) shall be exempt from the mandatory ten percent (10%) blend of bioethanol: (a) Regular Gasoline with minimum research octane number (RON) of 81 but only for use by off-road engines like farm machineries, threshers, irrigation pumps, power tillers and small motorized *bancas*; (b) Regular Gasoline with minimum RON of 87 but only for use by motorcycles; and (c) Premium Plus Gasoline with minimum RON of 97.
- 3.3. **Full Implementation.** On February 6, 2012, all gasoline fuels distributed and sold by each and every oil company in the country shall contain a minimum of ten percent (10%) blend of bioethanol by volume pursuant to the [PNS](#) without any exempt gasoline grades.
- 3.4. **Local Bioethanol Production.** Pursuant to the objective to develop and utilize indigenous renewable and sustainably-sourced clean energy sources to reduce dependence on imported oil, accredited local bioethanol producers are enjoined to maximize their production to meet the increasing local demand of bioethanol.
- 3.5. **Mandatory [NBB](#) Review.** Within 30 days before February 6, 2012, the [NBB](#) shall review circumstances surrounding the full implementation of the ten percent (10%) bioethanol blend, including domestic supply and availability of locally-sourced bioethanol component and international and local prices of bioethanol, to determine economic viability of the mandate, as well as updated studies for its local technical viability.

SEC. 4. *Biodiesel Blend.* –

- 4.1. **Full Compliance.** Upon the determination by the [NBB](#), the mandate under the [Biofuels Act of 2006](#) for the mandated two percent (2%) blend of biodiesel by volume pursuant to the [PNS](#) has been sufficiently achieved and complied with.
- 4.2. **Public Consultations.** Consistent with the recommendation of the [NBB](#) and considering the supply of local biodiesel production in excess of local requirements, the [DOE](#), together with the [NBB](#), shall conduct further public consultations in 2011 to determine the feasibility of further increasing the current biodiesel blend.

SEC. 5. *Effectivity and Publication.* – This Circular shall be effective immediately upon its publication in two (2) newspapers of general circulation and shall remain in effect until revoked.

Fort Bonifacio, Taguig City, Metro Manila, February 6, 2011.

JOSE RENE D. ALMENDRAS
Secretary

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