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#### SENATE

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Senate Bill No. 1382

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(In substitution of Senate Bill Nos. 174, 472, 479, 538, 638, and 1223)

Prepared by the Committees on Energy; Public Services; Trade, Commerce and Entrepreneurship; and Ways and Means with Senators Sherwin T. Gatchalian, Ralph G. Recto, Juan Miguel "Migz" Zubiri, Francis "Kiko" Pangilinan, Emmanuel "Manny" Pacquaio, Grace Poe, and Aquilino "Koko" Pimentel III as authors thereof

# AN ACT PROVIDING THE NATIONAL ENERGY POLICY AND REGULATORY FRAMEWORK FOR THE USE OF ELECTRIC VEHICLES AND THE ESTABLISHMENT OF ELECTRIC CHARGING STATIONS

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

# CHAPTER I GENERAL PROVISIONS

Section 1. Short Title. - This Act shall be referred to as the "Electric Vehicles 1 and Charging Stations Act." 2 3 Sec. 2. Declaration of Policy. – It is hereby declared the policy of the State to: 4 (a) Ensure the country's energy security and independence by reducing reliance 5 on imported fuel for the transportation sector; 6 (b) Promote and support innovation in clean, sustainable, and efficient energy to 7 accelerate social progress and human development by encouraging public and private use of new and alternative energy technologies; (c) Safeguard and improve the integrity, reliability, and stability of the country's 10 electric power grid by optimizing the location of energy sources relative to 11 demand; and 12

(d) Promote inclusive and sustainable industrialization while recognizing the role of the private sector, in order to support the transition to new technologies, generate jobs, spur small and medium enterprise growth, attract investments, grow globally competitive and innovative industries, and upgrade the country's participation in regional and global value chains.

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Sec. 3. *Scope and Application.* – This Act shall apply to the manufacture, importation, installation, utilization, and regulation of electric vehicles, charging stations, parts and components, and batteries.

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- Sec. 4. *Definition of Terms*. For purposes of this Act, the following terms shall be defined as stated below:
  - (a) Battery electric vehicle refers to an electrically propelled vehicle with only a traction battery as power source for vehicle propulsion;
  - (b) Battery pack refers to the mechanical assembly comprising battery cells and retaining frames or trays, and possibly components for battery management;
  - (c) Certificate of Inspection refers to a document issued by the building official of a local government unit (LGU) to the owner or applicant as a requirement for the installation of power lines to a building or structure to certify the completeness of the installation of all electrical wirings, pursuant to Republic Act No. 6541 as revised by Presidential Decree No. 1096, otherwise known as the National Building Code of the Philippines;
  - (d) Charging fee refers to the amount imposed on users in exchange for the use of facilities of charging stations. Its individual components shall be unbundled pursuant to regulations issued by the Energy Regulatory Commission (ERC);
  - (e) Charging station refers to all equipment for delivery of alternating current or direct current to EVs, installed in an enclosure with special control functions and communications, and may be located off the vehicle. For the purposes of this Act, charging stations shall include battery swapping stations;
  - (f) Charging station service provider refers to a natural or juridical person, duly accredited by the Department of Energy (DOE), who sells, installs, maintains, owns, or operates charging stations or any of its components for a fee;

- (g) Comprehensive Roadmap on Electric Vehicles (CREV) refers to a national plan with an annual work plan to accelerate the electrification of transportation in the country with four components: electric vehicles and charging stations, manufacturing, research and development, and human resource development. It shall be incorporated in the Philippine Energy Plan and the National Transport Policy;
  - (h) Distribution system refers to the system of wires and associated facilities belonging to a franchised distribution utility, extending between the delivery points on the transmission, sub-transmission system, or generating plant connection and the point of connection to the premises of the end-user;

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- (i) Distribution utility (DU) refers to any electric cooperative, private corporation, or government-owned utility which has a franchise or authority to operate a distribution system including those whose franchise or authority covers economic zones;
- (j) *Electric vehicle (EV)* refers to a vehicle with at least one electric drive for vehicle propulsion. For the purposes of this Act, it includes a battery electric vehicle, hybrid-electric vehicle, and a plug-in hybrid-electric vehicle;
- (k) Green routes refer to public transportation routes created or identified by LGUs and approved by the Department of Transportation (DOTr) to be exclusively traversed by electric public utility vehicles (PUVs);
- (I) Hybrid-electric vehicle refers to a vehicle with both a rechargeable energy storage system and a fueled power source for propulsion;
  - (m) Importer refers to any individual, partnership, corporation, or other entity engaged in the importation of completely built units of EV, charging stations, parts and components, and batteries incorporated, organized, and existing under Philippine laws;
  - (n) Manufacturer or assembler refers to any individual, partnership, corporation, or other entity engaged in the manufacture and assembly of EVs incorporated, organized, and existing under Philippine laws;
- (o) Plug-in hybrid-electric vehicle refers to a hybrid-electric vehicle with rechargeable energy storage system that is intended to be charged from an external electric energy source;

- (p) Private buildings and establishments refer to residential, commercial, and industrial structures owned or leased by private persons or juridical entities, and in the case of commercial and industrial structures, whose goods and services are available to the public;
  - (q) Private charging stations refer to charging stations installed in private buildings and establishments which may be open for use by the public for a fee;
  - (r) Public buildings and establishments refer to structures owned or leased by the government through its departments, agencies, bureaus, offices, corporations, and LGUs; and
  - (s) *Public charging stations* refer to charging stations installed in public buildings and establishments, and gasoline stations, which are available for use by the public for a fee.

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#### **CHAPTER II**

#### **ROLE OF GOVERNMENT AGENCIES**

Sec. 5. *Government Regulations.* - All regulations related to the use of EVs and the establishment of charging stations shall be structured to facilitate the creation of an enabling environment for equitable and non-discriminatory private sector participation, with preference for indigenous technologies, to attain the long-term goal of stable energy prices and energy sufficiency.

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- Sec. 6. Role of the Department of Energy. The DOE shall be the primary agency tasked with the promotion of the adoption of EVs and the development of charging infrastructure. Towards this end, the DOE shall:
  - (a) Harmonize existing policies and promulgate uniform and streamlined rules, regulations, and standards on the use, operations, and maintenance of charging stations, in coordination with other concerned agencies, to include the accreditation of charging station service providers and requirements by DUs on charging station service providers;
  - (b) Develop and update the EV and charging stations component of the CREV in coordination with the DOTr, Department of Trade and Industry (DTI),

Department of Environment and Natural Resources (DENR), Department of Public Works and Highways (DPWH), LGUs and other relevant national government agencies (NGAs). The component shall be finished not later than the 30<sup>th</sup> of May of every year;

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- (c) Develop and update the CREV by compiling its various components. The CREV shall be released to the public not later than the 30<sup>th</sup> of September of every year;
- (d) Harmonize existing guidelines and issuances related to the promotion of the adoption of EVs and charging stations, and issue plans and programs on the same;
- (e) Implement, together with DOTr and DTI, plans and program pursuant to Section 6(d) of this Act through information, education, communication, and demonstration campaigns consistent with the CREV;
  - (f) Regularly accredit charging station service providers, and publish on its website an annual inventory of all accredited charging station service providers and a list of all public charging stations in the country;
- (g) Require DUs to submit their respective charging infrastructure development plans as part of their Distribution Development Plans not later than 30th of August of every year;
- (h) Enforce compliance with mandatory open access installation of charging stations as required under Sections 16 and 17 of this Act;
- (i) Ensure charging stations are compliant with the Philippine Electrical Code,
   Philippine Distribution Code, and other relevant standards;
- (j) Aggregate and centralize data from ERC, DTI, DOTr, DENR, Land Transportation Office (LTO), Land Transportation Franchising and Regulatory Board (LTFRB), Metro Manila Development Authority (MMDA), Philippine Competition Commission, LGUs, and other relevant NGAs insofar as EVs and charging stations are concerned; and
- (k) Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

- Sec. 7. *Role of the Energy Regulatory Commission.* In addition to its functions under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, the ERC shall:
  - (a) Promulgate uniform and streamlined rules and requirements for self-generating charging stations and centralized vehicle-to-grid facilities;
  - (b) Regulate the rates charged by DUs on all charging stations, taking into account, among others, the utilization of the charging station, the promotion of efficiency, the unique requirements of charging stations, and its effect on the DU's demand profile and distribution system;
  - (c) Mandate the unbundling of charging fees;

- (d) Exercise exclusive jurisdiction over all matters that pertain to rate setting in this Act; and
- (e) Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

Sec. 8. Role of the Department of Transportation. —The DOTr shall be the primary agency tasked with the development of EV demand generation, and the regulation, registration, and franchising of EVs. Towards this end, the DOTr shall:

- (a) Coordinate with the DOE and other relevant NGAs in the preparation of the EV and charging stations component of the CREV;
- (b) Issue relevant policies on the use, operations, inspection, registration, and franchising of EVs;
- (c) Conduct information, education, communication, and demonstration campaigns, together with the DOE and DTI;
- (d) Mandate the inclusion of green routes in the respective Local Public Transport Route Plans of the LGUs; and
- (e) Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

Sec. 9. Role of the Department of Trade and Industry. – The DTI shall be the primary agency tasked with industry development of EVs, charging stations, parts and components, and batteries. Towards this end, the DTI shall:

 (a) Formulate relevant Philippine National Standards for consumer protection and trade facilitation, and conduct a regular review of these standards for possible revision or updating to align with developments in trade and latest technology of EVs;

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- (b) Regulate the quality and safety of the parts and components of EVs, charging stations, and batteries by implementing relevant standards to ensure the manufacture, production, and distribution of quality products for the protection of the consumer;
- (c) Develop and update the manufacturing component of the CREV, in coordination with DOE, DOTr, Board of Investments (BOI), and other relevant NGAs with a focus on EV, charging stations, parts and components, and battery manufacturing. The manufacturing component shall be submitted to the DOE not later than the 30<sup>th</sup> of May of every year;
- (d) Develop and update the human resource development component of the CREV, in coordination with the Department of Labor and Employment, Technical Education and Skills Development Authority, Commission on Higher Education, and other relevant NGAs. The human resource development component shall be submitted to the DOE not later than the 30<sup>th</sup> of May of every year;
- (e) Coordinate with the DOE and other relevant NGAs in the preparation of the EV and charging stations component of the CREV;
- (f) Develop, in coordination with the BOI and other relevant NGAs, the EV incentive strategy pursuant to Section 23 (a) of this Act; and
- (g) Perform all other acts that are analogous to the foregoing, which are necessary and incidental to accomplish the policy objectives of this Act.

Sec. 10. *Role of Local Government Units.* – In addition to its functions under existing laws, LGUs shall:

- (a) Identify green routes in their respective Local Public Transport Route Plans consistent with the National Transport Policy;
- (b) Include the electrification of PUVs in their respective development plans;
- (c) Issue Certificates of Inspection to charging stations;

- (d) Submit to DOE not later than 30<sup>th</sup> of January of every year the list of all charging stations in their respective localities; and
- (e) Ensure compliance of public and private buildings and establishments with Section 15 of this Act.

Sec. 11. Role of the Department of Environment and Natural Resources. – In addition to its functions under existing laws, the DENR shall, in consultation with the DOE, DOTr, DTI, and other public and private stakeholders, promulgate rules and guidelines on the recycling and disposal of EVs, charging stations, parts and components, and batteries. The DENR, in coordination with the DOTr, shall include EVs in the comprehensive air pollution management and control program from motor vehicles including greenhouse gas emissions monitoring in accordance with Republic Act No. 8749, otherwise known as the Clean Air Act of 1999.

- Sec. 12. Role of the Department of Public Works and Highways. In addition to its functions under existing laws, the DPWH shall establish guidelines on the following:
  - (a) Construction of charging stations and other EV support infrastructure in buildings and other establishments; and
  - (b) Issuance of permits for the construction or renovation of buildings or establishments pursuant to Section 15 of this Act.

Sec. 13. Role of the Department of Science and Technology (DOST). – In addition to its functions under existing laws, the DOST shall develop and update the research and development component of the CREV, in consultation with the DTI and other relevant NGAs. The research and development component shall be submitted to the DOE not later than the 30<sup>th</sup> of May of every year.

#### CHAPTER III

## DEMAND GENERATION AND INDUSTRY DEVELOPMENT

Sec. 14. Mandatory EV Share in Corporate and Government Fleets. – The following entities shall ensure that at least five percent (5%) of their fleet shall be EVs within the timeframe indicated in the CREV: *Provided*, That the CREV shall provide a timeline for the gradual increase of such percentage until the entire fleet is fully electrified:

- (a) Industrial and commercial companies such as cargo logistics companies, food delivery companies, tour agencies, hotels, power utilities, and water utilities;
- (b) Public transport operators, including buses, jeepneys, tricycles, taxis, and transport network vehicle services; and
- (c) LGUs, NGAs, and government-owned and controlled corporations: Provided, That the electrification of government fleets shall be considered compliance with Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act.

Sec. 15. Dedicated Parking Slots for Electric Vehicles in Private and Public Buildings and Establishments. – Private and public buildings and establishments constructed after the effectivity of this Act and pursuant to the National Building Code of the Philippines shall designate dedicated parking slots for the exclusive use of EVs: Provided, That the number of dedicated parking slots shall be proportional to the total number of parking slots within the building or establishment: Provided further, That the use of dedicated parking slots by vehicles other than EVs shall be punishable under Section 27 of this Act: Provided finally, That existing private and public buildings and establishments shall comply with the foregoing requirements within the timeframe indicated in the CREV.

 No permit shall be issued for the construction or renovation of a building or establishment unless this Section has been complied with.

Sec. 16. Open Access Installation of Charging Stations in Dedicated Parking Slots. – Dedicated parking slots built in accordance with Section 15 shall be installed

with a charging station: *Provided*, That the owner of the private or public building or establishment shall allow a third party charging station service provider to install, operate, or maintain the charging station, or enter into any other contractual arrangement with such third party charging station service provider in fair, reasonable, and nondiscriminatory terms: *Provided further*, That the owner of the private or public building or establishment may act as its own charging station service provider by constituting itself as a charging station service provider pursuant to the provisions of this Act: *Provided finally*, That if a DU engages in the business of a charging station service provider, it shall do so in accordance with Section 26 of Republic Act No. 9136 as implemented by ERC through its applicable rules and guidelines on business separation and unbundling.

Sec. 17. Open Access Installation of Charging Stations in Gasoline Stations. – Gasoline stations shall designate dedicated spaces for the installation of charging stations: *Provided*, That the owner of the gasoline station shall allow a third party charging station service provider to install, operate, or maintain the charging station, or enter into any other contractual arrangement with such third party charging station service provider in fair, reasonable, and nondiscriminatory terms: *Provided further*, That the owner of the gasoline station may act as its own charging station service provider by constituting itself as a charging station service provider pursuant to the provisions of this Act: *Provided finally*, That a gasoline station shall not be issued a construction, operation, or compliance permit by the DOE unless the owner shows that there is ample space for the construction of charging stations within its premises.

Sec. 18. *Use of Charging Stations in Dedicated Parking Spaces and Gasoline Stations.* – All public stations shall be open to the public. All private charging stations may be opened to the public. Both public and private charging stations shall be allowed to impose and collect charging fees.

Sec. 19. *Permits for the Installation of Charging Stations.* – All government agencies including LGUs shall provide for a uniform and streamlined permitting process for the installation, operation, maintenance, replacement, and removal of charging

1	stations: Provided, That the process shall be covered by the provisions of Republic Act
2	No. 11234, otherwise known as the Energy Virtual One-Stop Shop Act.
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4	Sec. 20. Duties and Responsibilities of Charging Station Service Providers. – A
5	charging station service provider shall have the following duties and responsibilities:
6	(a) Comply with the rules, requirements, and standards of the DOE and ERC in
7	accordance with Sections 6 and 7 of this Act, and permits and licenses of
8	government agencies and LGUs in accordance with Section 19 of this Act;
9	(b) Pay the DU for electricity consumption from the use of the charging station in
10	cases where the charging station service provider is the owner or operator of
11	the charging station; and
12	(c) Regularly submit to the ERC an unbundled structure of the charging fees
13	imposed on EV users, in the case of public charging stations owned or operated
14	by the charging station service provider.
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16	Sec. 21. <i>Green Routes.</i> – Green routes shall be created or identified by LGUs in
17	their respective localities and approved by the DOTr in accordance with Sections 8(d)
18	and 10(a) of this Act.
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20	Sec. 22. Safety, Health, and Environment. – All manufacturers, assemblers,
21	importers, charging station service providers, operators of testing facilities, and users
22	of EVs and charging stations shall comply with all relevant health, safety, and
23	environmental laws, rules, and regulations related to the manufacture, assembly,
24	installation, operation, and utilization of EVs and charging stations.
25	CHARTER TV
26	CHAPTER IV
27	INCENTIVES
28	Sec. 23. Fiscal Incentives. –
29 30	(a) Manufacturing
31	The following activities shall be included in the annual Investment
32	Priorities Plan (IPP) of the BOI and shall be entitled to the incentives provided
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under Executive Order No. 226, otherwise known as Omnibus Investment Code of 1987, and other applicable laws for ten (10) years from the effectivity of this Act: *Provided*, That after the aforementioned period, the inclusion of these activities in the annual IPP shall be reviewed and may be extended by the BOI:

- (i) Manufacture and assembly of EVs, charging stations, and parts and components; and
- (ii) The establishment and operations of charging stations.

In addition, the DTI, in coordination with BOI, shall craft and implement an EV incentive strategy, as part of the manufacturing component of the CREV, similar to Executive Order No. 182 series of 2015, otherwise known as the Comprehensive Automotive Resurgence Strategy Program. The incentive strategy shall:

- (i) Narrow the cost gap between EVs and traditional motor vehicles and enable the shift of the local traditional motor vehicle industry to EVs;
- (ii) Provide time-bound, targeted, performance-based, and transparent fiscal and non-fiscal support in order to attract EV and EV parts manufacturing, particularly electronic parts and other strategic components, batteries, charging stations, and the establishment of testing facilities; and
- (iii) Set local production targets to be achieved within seven (7) years from the promulgation of the incentive strategy, subject to extension as determined by the DTI.

The DTI, in coordination with the BOI, shall establish the application and selection process for enrollment and qualification of participants, imposing such terms and conditions as it may deem necessary to promote the objectives of the incentive strategy.

## (b) Importation

The importation of completely built units of EVs and charging stations shall be exempt from the payment of excise taxes, duties, and value-added tax (VAT) for nine (9) years from the effectivity of this Act: *Provided*, That in the case of imported electric jeepneys and electric tricycles, the Department of

Finance, upon recommendation of the BOI, may suspend the exemption in order to protect local manufacturers.

### (c) Utilization

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

- (i) Exemption from the payment of VAT in the purchase of EVs and charging equipment; and
- (ii) A thirty percent (30%) discount from the payment of the motor vehicle user's charge imposed by the LTO under Republic Act No. 8794, otherwise known as Motor Vehicle User's Charge Act, as well as vehicle registration and inspection fees.

- Sec. 24. *Non-Fiscal Incentives.* EV users shall be granted the following non-fiscal incentives, which shall remain in force for nine (9) years from the effectivity of this Act:
  - (a) Expeditious registration and renewal of registration, and issuance of a special type of vehicle plate by the LTO;
  - (b) Exemption of electrified PUVs from the mandatory unified vehicular volume reduction program, number-coding scheme, or other similar schemes implemented by the MMDA, other similar agencies, and LGUs; and
  - (c) Expeditious processing by the LTFRB of applications for franchise to operate, including its renewal, for PUV operators that are exclusively utilizing EVs.

Sec. 25. Financial Assistance. – Government financial institutions and other financial institutions, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, are encouraged to provide concessional financial packages for entities engaged in the activities mentioned in Section 23 of this Act, and preferential interest rates and payment scheme on consumer loans for the acquisition of EVs and electric charging stations.

The Bangko Sentral ng Pilipinas shall encourage banks to lend a certain percentage of their portfolio to EV, charging stations, and battery manufacturers,

assemblers, and end users: *Provided*, That financing packages for EV fleets shall be prioritized and the procedure shall be streamlined.

# CHAPTER V FINAL PROVISIONS

Sec. 26. Establishment of Dedicated Offices. – The DOE, DOTr, and DTI shall establish dedicated offices for the effective implementation of this Act. The organizational structure and staffing complement shall be determined by the Secretaries of DOE, DOTr, and DTI, in consultation with the Department of Budget and Management, and in accordance with existing civil service rules and regulations. The budgetary requirements necessary for the establishment of the dedicated offices shall be taken from the current appropriations of each agency concerned. Thereafter, the funding for the dedicated offices shall be included in the annual General Appropriations Act.

Sec. 27. *Penalties.* – The DOE, DOTr, and DPWH shall impose fines and penalties upon any person, both natural and juridical, found guilty of violating Sections 15, 16, 17, 18, and 19 of this Act. The fines and penalties shall range from a minimum of fifty thousand pesos (P50,000.00) to a maximum of five hundred thousand pesos (P500,000.00), and may include suspension or revocation of permits issued: *Provided*, That this is without prejudice to the penalties provided under existing regulations prescribed by other concerned agencies. The DOE, DOTr, and DPWH, in coordination with the DTI, DILG, and DENR shall issue appropriate rules and regulations on the imposition of these fines and penalties.

Sec. 28. *Congressional Oversight.* – The Joint Congressional Energy Commission (JCEC) shall exercise oversight powers over implementation of this Act. The DOE, DOTr, DTI, and other relevant NGAs shall submit the CREV and a report on the implementation of this Act to the JCEC not later than the 1<sup>st</sup> day of December of every year.

Sec. 29. *Implementing Rules and Regulations.* – The DOE together with the DOTR, in coordination with DTI, and in consultation with other relevant NGAs and public and private stakeholders, shall issue the implementing rules and regulations of this Act within one hundred twenty (120) days upon its effectivity.

Sec. 30. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

Sec. 31. *Repealing Clauses.* – Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec. 32. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,