

**[DOE Department Circular No. DC2015-06-0005,
June 09, 2015]**

**AMENDING DEPARTMENT CIRCULAR NO. 2011-02-0001
ENTITLED "MANDATORY USE OF BIOFUEL BLEND"**

Adopted: 09 June 2015

Date Filed: 30 June 2015

WHEREAS, as of 2014, the bioethanol requirement of the local market runs to as high as 455 million liters and it is projected that this will increase in the near future to an average of about 5% annually in order to meet the ten percent (10%) bioethanol blend requirement as required under Section 5.2 of the Biofuels Act of 2006 (Biofuels Act) and Department Circular No. 2011-02-0001;

WHEREAS, on 04 July 2013, the NBB recommended allowing the exemption of gasoline products of certain grade as one of the courses of actions that will address the problem in the best interest of the country as this will reduce our imports, encourage the local producers to increase their output and improve the power of choice at lower cost of the Filipino customers;

WHEREAS, on 12 May 2015, notwithstanding this consistently increasing demand, it was determined by the National Biofuels Board (NBB), through its Bioethanol Committee, during its Special NBB Meeting and from the consultation with the local bioethanol producers called by the Sugar Regulatory Administration (SRA) on 19 May 2015, that nine (9) years after the implementation of the Biofuels Act of 2006, locally-produced bioethanol, as of end 2014 accounts for only 27% of the total domestic bioethanol requirement or only 115 million liters;

WHEREAS, to address this shortage and enable the gasoline companies to comply with the ten percent (10%) minimum biofuels blend requirement, importation of this product was allowed to continue until now notwithstanding the fact that importation of bioethanol products is allowed only within four (4) years from the effectivity of the Biofuels Act and only to the extent of the shortage as may be determined by the NBB; hence, importation of the products was supposed to be legally allowed only up to the year 2013;

WHEREAS, the massive increase in the bioethanol product from local sources, as expected with and envisioned by the passage of the Biofuels Act, did not materialize resulting in the continued deficit of the locally produced bioethanol products as compared to the demand, thus requiring the continued huge importation of this product in spite of the fact that it is no longer allowed under Section 5.2 of the Biofuels Act;

WHEREAS, while the Biofuels Act requires a minimum ten percent (10%) bioethanol blend on gasoline products, it also prohibits the importation of bioethanol