

[DOE DEPARTMENT CIRCULAR NO. DC 2011-02-0001, February 06, 2011]

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.

Section 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