

Voluntary Report – Voluntary - Public Distribution

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Report Name: Philippines Set to Roll Out Higher Biofuels Blends

Country: Philippines

Post: Manila

Report Category: Biofuels

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Report Highlights:

On May 7, 2024, the Department of Energy (DOE) Secretary signed three Department Circulars (DCs) on the implementing guidelines and specifications for the roll-out of voluntary E20 gasoline and mandatory B3 diesel blends. The DCs were publicly announced in two newspapers on May 20, 2024. The discretionary E20 was approved to mitigate the effects of high fuel prices by offering a less expensive alternative. According to DOE, using E20 gasoline could bring a decrease of approximately PhP3.21 (\$0.06) per liter at the pump and an estimated net savings of PhP4.17 (\$0.07) per liter of diesel from an increase in mileage using B5. This move further aims to decrease dependence on imported fuels, reduce greenhouse gas emissions, and support the biofuels industry.

Background

On January 11, 2024, the DOE conducted a public consultation to finalize the Department Circulars (DCs) on higher biofuels blends of E20 (20 percent ethanol for gasoline) and B3 (3 percent coco methyl ester or CME-blended diesel oil). This was a follow-up consultation from two other consultations conducted in 2023. On December 29, 2023, the DOE released invitations to comment on the DC on Specifications for [E-Gasoline Fuel \(E20\)](#), [CME-Blended Diesel Oil](#) and [Guidelines on Biofuels Blend Implementation](#). The DOE called on all relevant industry stakeholders to provide input on the draft DCs following enforcement of Philippine National Standard (PNS). The [E20 PNS](#) was promulgated on October 31, 2023.

Implementing Guidelines

Following the stakeholder consultation period, the three implementing guidelines were signed on May 7, 2024. The announcement in two newspapers occurred on May 20, 2024, which was one of the required steps for the guidelines to become final.

1. [DC 2024-05-0012](#) Implementing the Specifications for PNS/DOE QS 019: 2023 E-Gasoline Fuel (E20)
2. [DC 2024-05-0013](#) Implementing the Specifications for PNS/DOE QS 015/2021 CME-Blended Automotive Diesel Oil (ADOB3) and PNS/DOE QS 016:2021 CME-Blended Industrial Diesel Oil (IDOB3)
3. [DC 2024-05-0014](#) Guidelines on Biofuel Blend Implementation

The above guidelines were released by the DOE following recommendations from the National Biofuels Board (NBB). Fuel companies are required to implement a 3 percent CME blend in all diesel fuel beginning October 1, 2024, 4 percent by October 1, 2025, and 5 percent beginning October 1, 2026.

Voluntary E20 Implementation. Oil companies can offer E20 to users on a voluntary basis in conformance with the approved standard. The E20 implementation in a way follows the same process as the Philippines implementation of E10 since 2012 as specified in the guidelines. Added is the E20-Compatible Vehicle Advisory to properly guide customers opting to use E20.

Maintaining E10 Mandate. The E10 mandate shall remain in effect and E20 shall be voluntary as approved by the National Biofuels Board. DOE requires separate reporting for E10 and E20, especially in terms of ethanol importation. Currently, 40 percent of the mandated E10 blend is covered by imported ethanol, which can only be used when domestic supplies have been exhausted.

The Benefits

Lower pump prices and net savings. Moving to a voluntary E20 blend could help lower pump prices and help mitigate future oil price and supply shocks. Approximately 70 percent of the gasoline pool is supplied with imported refined petroleum products. Please see [GAIN Report](#) for details. (According to DOE, higher CME blend of 5 percent could increase mileage up to 10 percent, which corresponds to an estimated net savings of PhP4.17 / \$0.07 per liter of diesel.)

Market expansion. The U.S. ethanol industry continues to be a major supplier, covering 33 percent of the country's fuel ethanol demand of 629 million liters in 2023. See [FAS Manila's Biofuels Annual](#) for more information.

Reduce GHG emissions, Moving to a higher blend will generate more savings from avoided GHG emissions. In 2023, fuel ethanol used resulted in a reduction of more than 843,110 tons CO₂e and biodiesel at 575,910 tons CO₂e, in line with the efforts by the Philippine government to comply with its international commitment to reduce GHG emission through renewable energy.

Attachments:

No Attachments.