

[**EXECUTIVE ORDER NO. 290, February 24, 2004**]

IMPLEMENTING THE NATURAL GAS VEHICLE PROGRAM FOR PUBLIC TRANSPORT

WHEREAS, Republic Act No. (RA) 7638, otherwise known as the "Department of Energy Act of 1992", declares that it is the policy of the State to ensure continuous, adequate and economic supply of energy through the integrated and intensive exploration, production, management and development of the country's indigenous energy resources, with due regard to ecological concerns; **WHEREAS**, RA No. 8749, also known as the "Philippine Clean Air Act of 1999", declares as a policy the promotion and protection of the environment against pollution from mobile sources; **WHEREAS**, the Malampaya Gas-to-Power Project represents the beginning of the natural gas industry in the Philippines with three gas-fired power plants with a total installed capacity of 2,760 MW as initial customers; **WHEREAS**, apart from its application in the power sector, natural gas may be used as fuel for vehicles in the transport sector and as a source of energy in the industrial and commercial sectors; **WHEREAS**, the launching on October 16, 2002 of the Natural Gas Vehicle Program for Public Transport saw the unveiling of a portfolio on incentives to encourage active participation of the private sector to provide the necessary support, logistics and infrastructure; **WHEREAS**, the NGVPPT is envisioned to enhance energy supply security in the transport sector through fuel diversification using indigenous natural gas; **WHEREAS**, natural gas is a clean burning alternative fuel for vehicles which has the potential to produce substantially lower pollutant emissions and can provide a solution to the pressing environmental problems in urban areas. **NOW, THEREFORE, I GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order: **SECTION 1. Program Objective.** The Natural Gas Vehicle Program for Public Transport (NGVPPT) shall have the following objectives:

1. To enhance energy supply security in the transport sector through fuel diversification using indigenous natural gas; and
2. To use compressed natural gas (CNG) as a clean alternative fuel for transport.

SECTION 2. Coverage. The NGVPPT, as an integral part of the Philippine Natural Gas Industry, shall cover the following key components;

1. Gas Supply Natural gas shall be supplied as CNG in the transport sector through: I) the use of indigenous gas resource, i.e. the Malampaya gas from Palawan, for the NGVPPT and other local gas that will be explored for additional demand; and ii) the importation of liquefied natural gas (LNG) from gas producers around the world to supplement existing indigenous gas supply.
2. Infrastructure development CNG refueling stations and all related facilities shall be established in strategic locations along major thoroughfares in Metro Manila and Luzon to serve the fuel needs of CNG-powered public utility vehicles (PUVs). The CNG refueling stations may involve a combination of a "mother'-daughter" system and/or an on-line station where the required gas

pipeline is already available. In the absence of a pipeline at the initial phase of the NGVPPT, the refueling set up shall be a "mother-daughter" scheme where a high pressure mother station shall be built inside the Malampaya Onshore Gas Plant (MOGP) and the daughter stations shall be established in identified strategic locations.

3. Market development The public transport sector, which includes public utility buses (PUBs), public utility jeepneys (PUJs), taxis and other PUVs, shall be encouraged to use natural gas as fuel.
4. Technology Existing NGV technology in the world for refueling systems and transport vehicles shall be adopted locally in compliance with applicable local and international standards. For transport vehicles, available NGV technology shall include Original Equipment Manufactured (OEM)-NGV, retrofit system and conversion options. For transport vehicles, available NGV technology shall include Original Equipment Manufactured (OEM)-NGVs, retrofit system and conversion options. The use of OEM-NGVs shall be strongly recommended as the technology to be adopted during the initial phase of the NGVPPT followed by the retrofit system and conversion option when the same shall have become technically and commercially feasible.
5. Incentives and Financial Assistance The NGVPPT shall develop and offer incentive package for all NGV industry stakeholders.
6. Manpower development Local technical capability and expertise on NGV retrofitting; conversion; fabrication of conversion systems; NGV and refueling station operation and maintenance; and other related activities as well as the capability to locally produce NGV chassis, bodies and engines shall be pursued through technology transfer and training.
7. Standards and other regulatory concerns The standards, codes of practice and other regulatory procedures shall be established by the relevant agencies to ensure the integrity of the NGVPPT and public safety.
8. Information Education Communication (IEC) An IEC program shall inform and educate stakeholders and the general public on the benefits of using natural gas particularly in the transport sector.

SECTION 3. Lead Implementing Agency. Consistent with Executive Order No. 66, series of 2002 designating the DOE as the lead agency in developing the Philippine natural gas industry, the DOE shall be the lead implementing agency for the NGVPPT. In coordination with different government agencies, institutions and the private sector, the DOE shall:

- I. Take the lead in implementing the NGVPPT, including pilot projects to spur accelerated development, to encourage the use of CNG-powered PUVs and establishment of the necessary refueling infrastructure;
- II. Develop an implementation plan to ensure the success, synergy and continuity of all activities related to the NGVPPT;
- III. Develop and implement the necessary guidelines for the accomplishment of the objectives of the this Executive Order;
- IV. Develop a CNG Masterplan in coordination/cooperation with concerned government agencies/institutions and in consultation with all stakeholders; and
- V. Facilitate program participants' access to privileges and incentives.

SECTION 4. Co-Implementing Agencies. The following government agencies/institutions shall work with the DOE to implement the NGVPPT: