

OIL INDUSTRY MANAGEMENT BUREAU'S (OIMB'S) YEAR-END COMPREHENSIVE REPORT (FY2017)



DEPARTMENT OF ENERGY

2/1/2018

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I. INDUSTRY PROFILE

BACKGROUND

The passage of R.A. 8479 otherwise known as the “Downstream Oil Industry Deregulation Act of 1998” liberated and deregulated the country’s downstream oil industry to ensure a truly competitive market and an adequate and continuous supply of environmentally-clean and high-quality petroleum products. To attain the goals, the government continue to encourage the entry of new investors in the downstream oil industry.

Pursuant to RA 8479 the Department of Energy through the Oil Industry Management Bureau (DOE-OIMB) is mandated to monitor the refining, manufacturing and marketing processes of petroleum products to ensure that clean and safe technologies are applied. The following are the downstream oil activities being monitored by DOE-OIMB.

- **Refining** – crude oil processing, production, and/or improvement in the quality of petroleum products in conformance with the Philippine National Standards (PNS), the Clean Air Act, and other applicable laws and regulation.
- **Fuel Bulk Marketing** – the activities involve is the selling of petroleum products in wholesale through tank trucks, lorries, tankers, barges or pipelines, which may be imported or locally purchased.
- **Petroleum Transport** – transfer of petroleum products through tankers, barges, tank trucks, lorries, pipelines from one supply point to another or to end users.
- **LPG Refilling and Marketing** – activities of storage, refilling, distribution, and marketing of LPG.
- **Retailing** – selling of petroleum products in retail, generally directed to end users, through dispensing pumps in gasoline stations for the liquid fuels and auto-LPG and metal cylinders for LPG. This includes the establishment and operation of gasoline stations and LPG outlets.
- **Terminalling** - refers to the activity of leasing storage tanks to other industry players for a fee.
- **Bunkering** – refers to the activity of selling fuels for direct use by a marine vessel and delivered by a barge or smaller transport vessel.

Twenty (20) years after the implementation of RA 8479, the downstream oil industry experienced a steady growth. New industry players entered into various downstream oil business such as marketing, distribution and storage of petroleum products. *Table 1 Shows the Number of Players Engage in various downstream activity and their investments.*

TABLE 1. NUMBER OF PLAYERS WITH INVESTMENTS

ACTIVITY	NUMBER OF PLAYERS		INVESTMENTS (IN BILLION PESOS)	
	FY2010	FY2017	FY2010	FY2017
Liquid Fuel Bulk Marketing	126	229	14.13	19.08
Fuel Retail Marketing	14	12	9.26	14.31
LPG Bulk Marketing	12	11	7.38	16.57
Bunkering	20	19	2.61	2.61
Terminalling	9	13	4.67	8.82
Refining*	2	2	6.7	118.3
Grand Total	181	284	82.80	241.08

Note* - Pilipinas Shell and Petron Corporation

The number of industry participants increase by almost 57 percent (57%) from 181 in 2010 to 284 in 2017 bringing in a total accumulated investment of PhP 241.08 billion.

Similarly, the industry reported a 66% percent increase in gasoline stations established which is equivalent to an additional 2,710 stations, bringing a total of 6,834 gasoline stations nationwide as of end 2017.

Among the country's 3 main island grids, Luzon has the most number of gasoline stations constructed by the new players. *Table 2. Shows the total cumulative number of retail outlets in the country.*

TABLE 2. NUMBER OF RETAIL OUTLETS

REGIONS	NUMBER OF RETAIL OUTLETS	
	2010	2017
NCR	664	913
Luzon	1981	4514
Visayas	669	1067
Mindanao	800	1253
Total Country	4,114	6,834

FY2017 vs. FY2016 OIL SUPPLY AND DEMAND SITUATION

SUPPLY

▪ **INVENTORY**

December 2017 actual crudes and petroleum products inventory closed at 20,291 thousand barrels (MB) or 46-day supply equivalent; 37 days for crude oil and products in country stocks and 9 days in-transit. This was lower by 2.2 percent from December 2016's 20,742 MB.

The government continued to enforce the Minimum Inventory Requirement (MIR) given the continuing risks faced by the downstream oil industry sector such as geopolitical instability and supply delivery problems to areas affected by calamities (e.g. typhoon, flood, earthquake, etc.).

Current MIR for refiners is in-country stocks equivalent to 30 days while an equivalent of 15 days' stock is required for the bulk marketers and 7 days for the LPG players.

Further, in response to the emergency situation brought about by extremism and terrorism in Marawi City, the Department intensified its monitoring of the bulk oil supply status in Mindanao to ensure continuous and adequate supply of petroleum products in the area.

▪ **CRUDE OIL SUPPLY**

Total crude oil imports for the period reached 73,943 MB, a decrease of 6.1 percent from 78,782 MB of last year's level.

About ninety percent of the total crude mix (66,197 MB) was sourced from the Middle East, of which 36.6 percent (27,097 MB) came from Saudi Arabia, the top supplier of crude oil into the country. Next is Kuwait with a 30.2 percent share of the total crude mix, followed by UAE with a 17.6 percent share.

On the other hand, 6.9 percent (5,106 MB) of crude oil was imported from Russia, while 1.4 percent (1,000 MB) was from Australia. The remaining 2.2 percent was sourced from the ASEAN (1,467 MB) and from local production (127 MB) (Fig. 1).

▪ **PETROLEUM PRODUCT / ETHANOL IMPORTS**

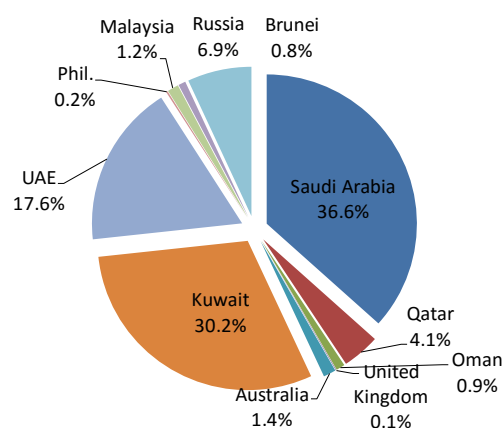
Full Year 2017 petroleum product imports totaled 97,530 MB, an increase of 11.8 percent from Full Year 2016's 87,240 MB.

The top imported product for the period was diesel oil which grew by 12.7 percent from last year's level. LPG import also rose by 10.2 percent. Likewise, kerosene/avturbo and gasoline increased by 31.6 and 10.6 percent, respectively. However, fuel oil import went down by 2.9 percent compared with Full Year 2016 import.

The other industry players accounted for majority of the product imports with 75.6 percent of the total imports volume, up by 15.4 percent to 73,741 MB from Full Year 2016's 64,385 MB. The oil majors (Petron, Chevron and Pilipinas Shell) accounted for the remaining 24.4 percent which increased by 4.1 percent from last year's 22,856 MB to 23,789 MB.

The local refiners (Petron and Pilipinas Shell) accounted for 14.8 percent of the total product imports, which included blending stocks, as against 85.2 percent share by direct importers.

Fig. 1 FY 2017 Crude Oil Imports



Product import mix comprised mostly of diesel oil at 41.5 percent, gasoline at 18.3 percent, LPG at 13.1 percent, kerosene/avturbo at 9.5 percent, fuel oil at 7.1 percent and other products at 10.4 percent share in the total product mix.

Total gasoline import reached 47.4 percent of gasoline demand while diesel oil import was 59.9 percent of diesel demand. LPG import on the other hand, was 69.7 percent of LPG demand. Total product import was 60.0 percent of the total products demand.

The oil majors' import share in the total demand was 14.6 percent while the other players' import share was at 45.4 percent. As for the refiners, their import share in the total demand was 8.9 percent, while 51.1 percent was attributed to direct importers.

Meanwhile, a total of 1,808.4 MB ethanol was imported for fuel use during the period which grew by 10.4 percent from 1,638.2 MB of Full Year 2016. Republic Act No. 9367 of 2006 mandated that all gasoline to be sold in the country should be E-10 (gasoline with 10% bioethanol content).

▪ **CRUDE RUN AND REFINERY PRODUCTION**

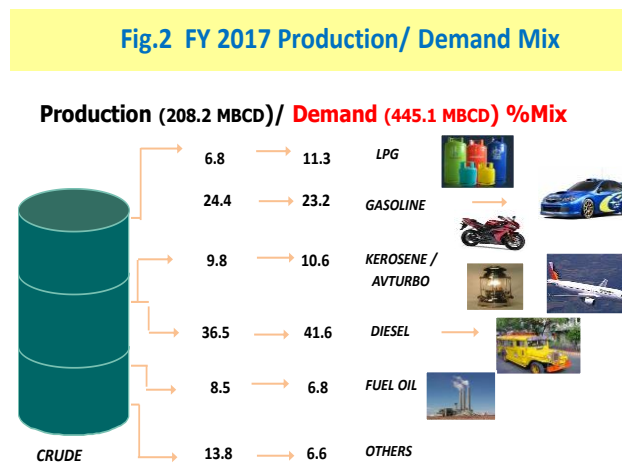
The country's current maximum working crude distillation capacity is 285.2 thousand barrels per stream day (MBSD).

Total crude processed as of Full Year 2017 was down by 2.3 percent from 79,016 MB of Full Year 2016 to 77,192 MB. Refinery utilization during the period also decreased from last year's 75.7 percent to 74.2 percent this year. The drop may be due to the extended maintenance shutdown and turn around schedule of the local refineries, sometime during the year

Consequently, local petroleum refinery production output also went down by 2.7 percent from 78,113 MB to 75,981 MB. Full Year 2017 average refining output was at 208.2 MB per day.

Diesel oil output decreased by 4.7 percent while gasoline output dropped by 2.0 percent. Similarly, kerosene/avturbo and LPG output went down by 11.1 and 2.9 percent, respectively. Petrochem products outputs such as mixed xylene, benzene and toluene also decreased during the same period. Meanwhile, fuel oil output was up by 25.1 percent which may be due to higher international demand.

Diesel oil continued to dominate the production mix with a share of 36.5 percent, followed by gasoline and kerosene/avturbo with 24.4 and 9.8 percent shares, respectively. Meanwhile, fuel oil and LPG got 8.5 and 6.8 shares, respectively.



DEMAND

▪ **PETROLEUM PRODUCT DEMAND**

Full Year 2017 demand of petroleum products totaled 162,473 MB, an increase of 4.5 percent from 155,414 MB of Full Year 2016. This can be translated to an average daily requirement of 445.1 MB compared with last year’s level of 424.6 MB.

Compared with Full Year of 2016 figures, diesel oil demand was up by 4.1 percent. Similarly, demand of kerosene/avturbo, LPG and gasoline demand posted a growth of 9.9, 8.7 and 4.4 percent, respectively. However, fuel oil demand decreased by 22.7 percent.

Product demand mix comprised mostly of diesel oil at 41.6 percent, gasoline at 23.2 percent, LPG at 11.3 percent, kerosene/ avturbo at 10.6 percent, fuel oil at 6.8 percent and other products at 6.6 percent share in the total product mix.

▪ **PETROLEUM PRODUCT EXPORTS**

Total country’s petroleum products exports as of Full Year 2017 rose by 6.2 percent from 13,772 MB of Full Year 2016 to 14,631 MB.

Vis-à-vis last year, condensate, the top exported product for the period decreased by 9.4 percent. Naphtha export was also down by 17.2 percent. On the other hand, fuel oil export upsurges by 80.7 percent. Petrochem products such as propylene, mixed xylene and benzene export also increased which may be due to higher international demand.

The total export mix comprised of condensate (24.6 percent); fuel oil (19.6 percent); pygas (12.5 percent); propylene (11.9 percent); naphtha (9.2 percent); mixed C4 (7.7 percent); mixed xylene (5.1 percent); gasoline (4.1 percent); toluene (2.7 percent); benzene (1.3 percent); reformat (0.9 percent); and LPG (0.5 percent).

The oil refiners’ exports accounted for 55.2 percent of the total export mix while the remaining 44.8 percent was accounted to export of other players.

▪ **CRUDE OIL EXPORTS**

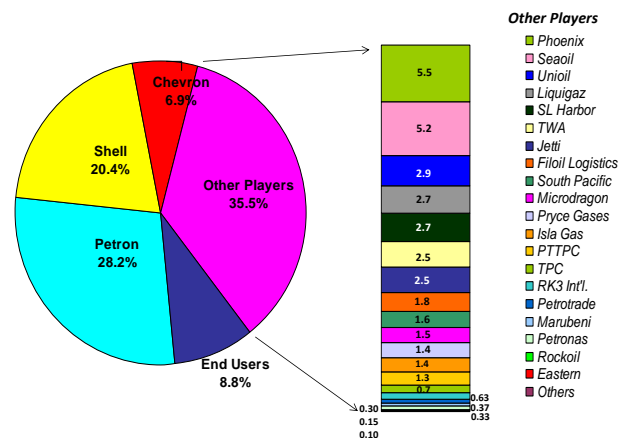
A total of 1,409 MB crude oil from Galoc (Palawan Light) was exported during the period which decreased by 21.9 percent from Full Year of 2016’s 1,804 MB (Table 7a).

MARKET SHARE

▪ **TOTAL PETROLEUM PRODUCTS**

The major oil companies (Petron Corp., Chevron Phils. and Pilipinas Shell Petroleum Corp.) got 55.7 percent market share of the total demand while the other industry players which include PTT Philippine Corp. (PTTPC), Total Phils., Seoil Phil. Inc., TWA Inc. ,

Fig. 3 FY 2017 Market Share (Total Petroleum Products)



Phoenix, Liquigaz, Petronas, Prycegas, Micro Dragon, Unioil, Isla Gas, Jetti, Eastern Petroleum, JS Union, JS Phils. Corp., Petrotrade, South Pacific, Marubeni, SL Harbour, Rockoil, RK3 Int'l., Perdido and Filoil Logistics Corp., as well as the end users who imported directly most of their requirement captured 44.3 percent of the market.

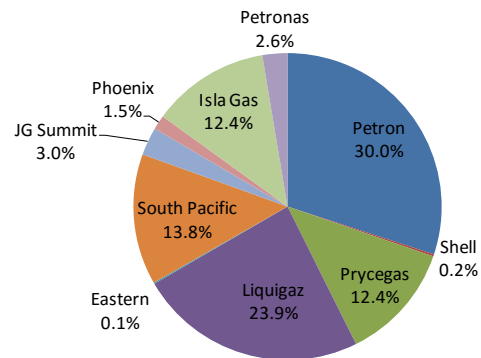
Meanwhile, the local refiners (Petron Corp. and Pilipinas Shell) captured 48.7 percent of the total market demand while 51.3 percent was credited to direct importers/end-users.

▪ **LPG**

The other players' market share, with the inclusion of South Pacific last year, increased to 69.7 percent. The remaining 30.3 percent was credited to the oil refiners.

Petron's share was 30.0 percent of the total LPG demand while among the other LPG players, Liquigaz got the biggest market share with a 23.9 percent share. This was followed by South Pacific, Inc. (SPI) with a share of 13.8 percent. Next were Prycegases and Isla Gas, with equal share of 12.4 percent.

Fig. 4 FY 2017 LPG Market Share



OIL IMPORT BILL

Full Year 2017 estimated total oil import bill amounting to \$9,892.4 million was up by 31.2 percent from Full Year 2016's \$7,542.8 million. This was attributed to the combined effects of higher import cost and higher volume of product imports vis-à-vis last year.

Total oil import cost was made up of 59.5 percent finished products and 40.5 percent crude oil.

Total import of crude oil amounted to \$4,008.9 million, grew by 20.7 percent from \$3,321.5 million of Full Year 2016 due to higher CIF price per barrel from Full Year 2016's \$42.161/bbl to \$54.216/bbl.

Meanwhile, total product import cost was up by 39.4 percent to \$5,883.5 million at an average CIF cost of \$60.325/bbl vis-à-vis Full Year 2016's \$4,221.2 million at an average CIF cost of \$48.386/bbl. The increase was attributed to higher import cost this year and increased in the volume of product imports. Average dollar rate for Full Year 2017 is \$50.834 compared to Full Year 2016's average rate of \$48.594.

On the other hand, the country's petroleum exports earnings for the period rose by 48.6 percent from \$654.4 million in 2016 to \$972.5 million this year.

Overall, the country's Full Year 2017 net oil import bill amounting to \$8,919.8 million was up by 29.5 percent from Full Year 2016's \$6,888.3 million.

II. SECTORAL ROADMAP

To attain the overall objective of the Department by 2040, the DOE-OIMB envisioned to accomplish the goal to improve the policy governing the downstream oil and gas industry in ensuring continuous supply of high quality and right quantity of petroleum products in the market and establishing a world-class, investment driven and efficient natural gas industry that makes natural gas a bridge fuel by all end-use sectors through the following plans and programs:

DOWNSTREAM OIL INDUSTRY:

A.1 FUEL QUALITY STANDARDS DEVELOPMENT

With regards to facilities and product standards, the DOE will continuously set and reviews standards to concretize its endeavor to harmonize the Philippine National Standards (PNS) with international and regional trends for the quality of fuels, and petroleum facilities and processes, promote the use of efficient technologies, alleviate the country's energy security concern and safeguard the health and welfare of the people.

Short Term

- Formulation of Philippine National Standard (PNS) for Marine Oil
- Update of PNS for Kerosene and Emulsified/ Bunker Fuel
- Review and formulation of Policy/Assessment Paper on E10 Program and B2-B5 Mandate

Medium-Term

- Limit Olefin & aromatic content and set additional composition controls for fuels
- Prohibit more metallic additives
- Introduce non-coconut biodiesel feedstocks, in coordination with REMB
- Rationalize ethanol blends in gasoline

Long-Term

- Reduce Benzene level content for fuels
- Introduce hydrolyzed fuel and higher bioethanol level (E20)
- Introduce ultra-low sulfur content for fuels
- Develop low carbon fuel standard

A.2 FACILITY STANDARDS DEVELOPMENT

Short to Medium-Term

- PNS for LPG Refilling Plant
 - PNS for Above ground storage tank in retail outlet
 - Code and Safety Practices for LPP depot
 - Resiliency Planning
 - Draft DC for Incident Reporting
 - Training Institute
-

Long-Term

- Facilitate establishment of Domestic “Strategic” Oil Stockpile Facility Standard

A.3 LEGISLATIVE AGENDA AND POLICY ADVOCACY CAMPAIGN

In most cases, improvement of policy governing the downstream oil sector will be needed to meet the industry challenges and to encourage more private sector participation in the downstream oil industry thereby ensuring a sustainable supply of high quality and right quantity petroleum products in the market. The following comprise the roadmap that will be useful towards the achievement of addressing these challenges in the short to medium up to long term:

Short

- Review existing rules and regulations and recommend/implement amendments
 - Revised Circular on Oil Price Notification
 - Revised Circular on Minimum Inventory Requirements
 - Amended Retail Rules for Liquid Fuels (DC 2017-011-0011)
 - Nationwide Public Dissemination of Retail Rules
 - Formulation and Development of the following:
 - Joint Administrative Order (JAO) for the Distribution and Transportation of LPG in Cylinders
 - Department Circular (DC) for the Special Technical Working Group for the Disposal of Confiscated Petroleum Products
 - DC for Marking Requirements of 2.7-kg LPG in Cylinder
 - DC for the Omnibus Inspector’s Manual for Retail Market Monitoring
 - Improvement in Process Systems
 - Database on LPG and Liquid Fuels Inspection Results
 - Database on LPG and Liquid Fuels Retail Prices
- Development of DOI Plan
- Update the National Oil Contingency Plan
- Improve the processing systems of application (e.g., on-line application, etc.)
- Advocate the passage of LPG Bill
- Propose/Recommend Legislative Action for the implementation of Stockpiling activity (through PNOC) and other ASEAN initiatives

Medium-Term

- Review existing rules and regulations and recommend/implement amendments
 - Implementing Rules and Regulations for LPG Law
 - Memorandum of Agreement (MOA) Among Industry Participants for the LPG Cylinders Exchange/Swap Program
 - Formulation and Development of Department Circular (DC) for the LPG Cylinders Improvement Program
 - Public Consultations and nationwide dissemination of the following DCs:
 - JAO for the Distribution and Transportation of LPG in Cylinders
 - TWG for the Disposal of Confiscated Petroleum Products
-

- Omnibus Inspector's Manual
- LPG Cylinders Improvement Program

Long-Term

- Improvement in existing rules and regulations and recommend/implement amendments
 - Self-Regulation Among Industry Participants
 - Review and Amendments of existing laws, rules, and regulations
- Support/Implement ASEAN initiative (e.g. APSA, Stockpiling)

A.4 DOI PROGRAM MANAGEMENT MONITORING AND IMPLEMENTATION

To ensure the oil industries compliance to the reportorial requirement of the Downstream Oil Deregulation Act and the Biofuels Act, the DOE will continue to improve its monitoring of the industry's activities and performance through the following:

- Monitor the Downstream Oil Industry (DOI) activities (i.e. supply/demand situation, inspections of existence of new players' facilities price adjustments, and stations offering discounts, etc.)
- Monitor/Assess oil price movements (international thru MOPS) and ensure reasonableness of domestic price adjustments
- Conduct monitoring and enforcement activities (quantity and quality standards) at the bulk and retail levels
- Promote retail competition through the Gasoline Station Lending and Financial Assistance Program
- Process/issue certifications, permits, endorsements for DOI facilities/activities (retail and bulk)
- Conduct of nationwide Information, Education and Communication (IEC) Campaigns
- Encourage Investments in DOI
- Develop and implement DOI Capacity Building Programs and
- Prepare for and implement ISO Accreditation on Quality Management System

DOWNSTREAM GAS INDUSTRY:

A.5 MONITOR SUPPLY DEVELOPMENT

Short-Term

- Monitor the sale of remaining volume of PNOC banked gas and new gas of Malampaya gas field
- Monitor the development of the upstream activities (e.g. awarding, drilling and testing and commercial production)
- Monitor and coordinate with Energy World Corp (EWC) to meet its timeline to import LNG with one storage tank or FSU
- Evaluate impact of dependency on imported natural gas/LNG

Medium-Term

- Continue monitoring the development of the upstream activities
 - Monitor additional projected LNG imports in Quezon and Batangas
-

- Monitor new and emerging technologies in LNG storage and transport
- Monitor the consumption of LNG in off-grid islands

Long-Term

- Continue monitoring the activities of the upstream developments including drilling of Malampaya East
- Continue monitoring the consumption of LNG in off-grid islands
- Monitor additional LNG imports

A.6 INFRASTRUCTURE DEVELOPMENT

Short-Term

- Monitor the progress of the implementation of IFC to conduct study on the viability of satellite terminals in off-grid islands
- Coordinate and monitor with proponents the development of natural gas infrastructure projects (e.g. EWC, PNOG-EC and PNOG Mother)
- Update the Natural Gas Infrastructure Program

Medium-Term

- Continue monitoring the development and status of various natural gas projects (e.g. FSRU, FSU, LNG, CNG, and pipeline)

Long-Term

- Monitor the operations of Pipeline, LNG Terminals, Satellite Terminals, and Distribution Lines

A.7 MARKET DEVELOPMENT

Short-Term

- Monitor the consumption of existing natural gas power plants
- Prepare gas situationer reports on market trends, pricing and supply/demand
- Conduct IECs to promote the use of natural gas
- Promote the resumption on use of CNG to vehicles in coordination with EUMB
- Continue the conduct of market profiling survey
- Conduct IECs to promote the use of natural gas
- Conduct the inventory of natural gas technology for non-power applications

Medium-Term

- Continue the monitoring of new and existing natural gas power plants
- Monitor the consumption of natural gas use in transport and industry
- Promote the use of LNG in Cold storage and Adsorbed Natural Gas (ANG) in Tricycles

Long-Term

- Continue the monitoring of new and existing natural gas power plants
 - Espouse the commissioning of additional natural gas-based power plants
 - Monitor the consumption of natural gas from additional Ecozones
 - Promote the use of CNG in fishing boats and inter-island passengers marine vessels
 - Promote the use of CNG in provincial buses as well as in commercial and residential sectors
-

A.8 CAPACITY/SKILLS DEVELOPMENT

Short-Term

- Establish an inter-agency health, safety, security and environment monitoring and inspection team for the existing and emerging natural gas facilities
- Identify training programs and funding support for the regulators of the industry

Medium-Term

- Establish bilateral partnership with Academe, international organization/institute and Industries to map out technical, legal/regulatory and commercial capabilities
- Identify exchange program or on-the-job training for actual exposure of identified key regulator to develop the long term skills program for natural gas

Long-Term

- Advocate the establishment of Energy Institute
- Support exchange program or on-the-job training for actual exposure of identified key regulator to develop the long term skills program for natural gas

A.9 POLICY DEVELOPMENT

Short-Term

- Advocate the passage of the Magna Carta Bill for Energy Workers
- Draft the proposed Nat Gas Bill
- Draft guidelines/regulations to address LNG importation
- Draft DC on rules to implement the PNS on Natural Gas Quality and HSSE codes and practices in the natural gas facilities
- Update the Natural Gas Framework

Medium-Term

- Advocate the passage of Nat Gas Bill
- Develop and implement standards on transmission and distribution pipeline and LNG facilities and related ancillary facilities

Long-Term

- Prepare and implement the IRR for the Natural Gas Law
- Develop standard and adapt emerging technologies related to the transportation and storage of natural gas
- Continuing updating of PNS on natural gas facilities

III. DEVELOPMENTS IN THE INDUSTRY

The table below summarizes the policies/issuances formulated by the Oil Industry Management Bureau (OIMB) to strengthen the monitoring of activities in the downstream oil and natural gas industry business.

2017 ACCOMPLISHMENTS

MFO 1: ENERGY SECTOR POLICY SERVICES NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION		
DEPARTMENT CIRCULAR NUMBER/TITLE	DESCRIPTION/SIGNIFICANCE	STATUS
<p>DEPARTMENT CIRCULAR 2017-11-0012 - “Rules and Regulations Governing the Philippine Downstream Natural Gas Industry” including the three (3) guidelines:</p> <p>a) Permit Application for the downstream natural gas projects;</p> <p>b) Importation; and</p> <p>c) Supply and transport of natural gas and reportorial requirements</p>	<p>It establishes the regulations to be followed with respect to siting, design, construction, expansion, rehabilitation, modification, operation and maintenance of the PDNGI Value Chain.</p> <p>Superseded the existing DC 2002-08-005 otherwise known as the Interim Rules and Regulations on the Transmission and Distribution and Supply of natural gas which is “tailor-fit” mostly to the application of the indigenous Malampaya gas.</p> <p>Provides guidelines on:</p> <ul style="list-style-type: none"> • non-pricing regulation in securing permit prior to the construction, extension, modification, operation and maintenance of natural gas infrastructure projects and/or facilities • accreditation to import LNG and acknowledgement to supply and transport natural gas <p>Ensures the following:</p> <ul style="list-style-type: none"> • liberalized entry of market in the various activities of the Philippine Downstream Natural Gas Value Chain • compliance with International and Philippine Health, Safety, Security and Environment standards and best practices by operators of the natural gas facilities during construction, operation and maintenance activities. <p>Allows Third Party Access (TPA) to LNG Import Receiving facilities, Transmission and Distribution pipelines to:</p> <ul style="list-style-type: none"> • create more players in the downstream natural gas value chain • to enable the industry to graduate from its emerging state to a matured industry towards developing the Philippines as an LNG trading and transshipment hub in the Asia Pacific Region. 	<p>Accomplished in 2017</p> <p>Signed on 28 November 2017 by Secretary A. G. Cusi</p> <p>For publication at 2 newspapers with general circulation</p> <p>For posting at the DOE website.</p> <p>One of the OIMB regulations presented for Ceremonial signing of the DOE Secretary at the 2017 NECM-OIMB day</p>
<p>DC No. DC 2017-11-0011 Promulgating A Revised Rules and Regulations Governing the Business of Retailing Liquid Fuels</p>	<p>The revised Retail Rules shall apply to all persons engaged in the business of retailing liquid fuels.</p> <p>It is a set of established minimum requirements for operation of Retail</p>	<p>Accomplished in 2017</p> <p>Signed on 22 November 2017 by Secretary A. G. Cusi</p>

	<p>Outlets and prescribed rules and regulations governing the quality of Liquid Fuels.</p> <p>The rules define and penalize certain prohibited acts that are considered inimical to national interest and public safety including:</p> <ul style="list-style-type: none"> • illegal trading in petroleum • adulteration and under delivering, among others <p>It addresses the emerging and expanding technologies and economic developments in the business of retailing of Liquid Fuels.</p> <p>To direct the use of biofuels, including the sale and distribution; and</p> <p>Provide for the safe and proper handling, transport, storage, installation and use of equipment and facilities in the downstream oil industry</p>	<p>Published at two (2) newspapers last 27 Nov 2017</p> <p>For DOE Web site posting; request forwarded to ITMS as of 28 Nov 2017</p> <p>One of the OIMB regulations presented for Ceremonial signing of the DOE Secretary at the 2017 NECM-OIMB day.</p>
<p>DOE DEPARTMENT CIRCULAR FOR MANDATING LPG:</p> <ul style="list-style-type: none"> ▪ PNS/DOE QS 005:2016 (AS NON-MOTOR FUEL) ▪ PNS/DOE QS 012:2016 (AS MOTOR FUEL) 	<p>Establishing the effectivity of the new PNS along with other applicable rules and guidelines for its effective implementation.</p> <p>The PNS support the Philippine Government's effort to promote the utilization of alternative and clean fuel technology.</p> <p>Split distinct PNS into two general applications, for auto and other uses for more effective implementation and monitoring</p> <p>Odorant as a major specification for health and safety purposes</p>	<p>Accomplished in 2017</p> <p>Drafted implementing DC now being reviewed by DOE Legal Services (Dec 2017)</p>
<p>DPNS/DOE QS 004:2017 (CME-BLENDED AUTOMOTIVE DIESEL OIL - ADOB2)</p>	<p>A technical standard for B2 mandate 2% biodiesel blend (ADO & IDO) under the Biofuels Act of 2006.</p> <p>Revision/update of 2012 ADO B2 specs</p> <ul style="list-style-type: none"> • Limiting PNS coverage only for Euro IV-PH to comply with the emission requirement of DENR under DAO No 2015-04 & 2016-23 • Split distinct PNS for automotive diesel oil (ADO) and industrial diesel oil (IDO) • <p>The 2 PNS was created to separate the requirements for automotive diesel (ADO) from industrial diesel oil (IDO) for more effective implementation and monitoring.</p>	<p>Accomplished in 2017</p> <p>Completed & endorsed to BPS for promulgation and adoption as PNS (Dec 2017)</p>

	ADOB2 is compliant with the emission requirement of DENR’s DAO in terms of sulfur specs at 50ppm, max.	
CODE OF SAFETY PRACTICES FOR LPP IN RETAIL OUTLET)	<p>This Code covers the typical activities associated in the normal operations of a Retail Outlet applicable to all kind of lots from mid-block lot, corner lot and passing –thru lot.</p> <p>This Code was prepared as a guide for managers/operators as well as their respective personnel in Retail Outlet focusing on safety and good practice procedures with reference to relevant health and safety standards</p>	<p>Accomplished in 2017</p> <p>Promulgated as PNS (Aug. 08, 2017)</p>
CODE OF SAFETY PRACTICES FOR LPG REFILLING PLANT	<p>This Code of Safety Practices is intended for the Company Authorized Personnel (Responsible Officer/s) including the personnel to demonstrate their competence on how to achieve an appropriate mitigation measures, and identify minimum training requirements for all personnel involve and working within the LPG refilling plant premises.</p> <p>The Code of Safety Practice in Liquefied Petroleum Gas (LPG) Refilling Plant serves as safety guide and manual for all downstream oil industry players or companies on good practice procedures with reference to health, environment and safety. It also identifies minimum training requirements for all personnel involve and working within the LPG refilling plant premises</p>	<p>Accomplished in 2017</p> <p>Completed (Nov. 19, 2017) and endorsed to DTI-BPS for PNS promulgation</p>
MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION		
NUMBER OF PROMOTIONAL EVENTS UNDERTAKEN		
ESTABLISHMENTS VISITED/CONDUCTED IECs	DESCRIPTION/SIGNIFICANCE	STATUS
<ol style="list-style-type: none"> 1. Governor's Office of Quezon Province 2. Southern Luzon State University 3. Malaya Colleges of Laguna 4. Various Schools in Binan City 5. Mayor's office in Batangas City 6. Hermosa Economic Industrial Park in Bataan 7. Authority of Freeport Area of Bataan 8. Lyceum University, Laguna 9. PUP Sto. Tomas, Batangas 10. University of San Carlos, Cebu 11. Cebu Light Industrial Park 12. Xavier University of Cagayan de Oro 13. Capitol University (CDO) 	<p>The IEC activities are conducted to various audiences such as the academe, government and non-government offices, and economic zones.</p> <p>This includes the discussions on the basics of natural gas and updates of the development program of the country's downstream natural gas industry.</p> <p>Some IECs were done together with OICMD-OIMB discussing oil pricing and the industry.</p> <p>The conduct of IEC activities promotes awareness on natural gas as there are only few who are aware about the industry.</p> <p>In the industrial zones it opens the minds of the industrial locators on the possibility</p>	<p>Accomplished in 2017</p>

<p>14. Phividec Industrial Authority in Misamis Oriental</p> <p>15. Light Industrial and International Park, Laguna</p> <p>16. Provincial Office in Laguna</p> <p>17. Familiarization in the Operation of existing natural gas users for Local Government Units conducted in two (2) batches</p>	<p>to convert its process to natural gas thus, open opportunity to develop potential market for natural gas.</p>	
<p>IECs in the following areas:</p> <ol style="list-style-type: none"> 1. Bacolod City, Talisay, La Carlota City 2. General Santos City, Polomolok and Koronadal City. <p>Some scheduled IECs were postponed due to time constraints and unavailability of venues for host LGUs</p>	<p>Conduct of IEC campaigns under the SAFE LPG Project is OIMB-RMMSCD's contribution to the DOE Gender and Development (GAD) Program and Focal Point System targeting women's associations or groups in the society. The main objective of the SAFE LPG Project is to increase the awareness and knowledge of women in the proper handling and safe usage of LPG. Most women are the ones who are left behind in their respective homes to attend to the household chores such as cooking requirements for their families.</p>	<p>Accomplished in 2017</p>
<p>MFO 3: ENERGY SECTOR REGULATION</p>		
<p>NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED</p>		
<p>GAS SECTOR</p>		
<p>ISSUANCE</p>	<p>DESCRIPTION/SIGNIFICANCE</p>	<p>STATUS</p>
<ol style="list-style-type: none"> 1. Extension of Provisional Permit for LNG Hub in Pagbilao 2. Permit to Supply Natural Gas to Avion 3. Permit to Supply Natural Gas to San Gabriel 	<p>Enforcement of DOE's regulatory function on the downstream natural gas industry</p>	<p>Accomplished in 2017</p>
<p>INSPECTION OF NATURAL GAS FACILITIES</p>		
<p>Conducted Inspection in coordination with the inter-agency HSSE IMT:</p> <ol style="list-style-type: none"> 1. Liquefied Natural Gas Storage and Regasification/Hub Terminal in Pagbilao, Quezon 2. Ilijan Natural Gas Pipeline & Receiving Facility in Ilijan, Batangas, 3. Tabangao-Sta. Rita Natural Gas Pipeline in Tabangao/Sta. Rita, Batangas, 4. PSPC 800 meter own-use Pipeline in Tabangao, Batangas, 5. Malampaya On-shore Gas Processing Plant in Tabangao, Batangas, 	<p>Enforcement of DOE's monitoring on the construction, operation and maintenance of natural gas facilities with the inter-agency HSSE IMT to ensure that operators of the natural gas facilities are compliant to Health, Security, Safety and Environment (HSSE) best practices</p>	<p>Accomplished in 2017</p>

6. 504 km Natural Gas Pipeline in Offshore North-West Palwan to Batangas Bay		
OIL SECTOR		
<p>2, 946 reports on the following:</p> <ul style="list-style-type: none"> • daily oil price monitor (32) • weekly oil price situationer, () • issuances of certifications, endorsements, • import/export acknowledgement, industry player acknowledgement • bioethanol program accreditation • Standard Compliance Certificate for LPG Bulk Suppliers 	<p>Compliance to existing laws, rules, and regulations relative to the business retailing of petroleum products in the downstream oil industry.</p> <p>To ensure that the government continuously monitor the engagement of business and other activities in the Downstream oil Industry</p>	Accomplished in 2017
Issuances of 2,670 COC,SCC, Endorsements, Acknowledgment letters and Certifications	<p>Issuances of COCs, SCCs, SEC Endorsements, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business of retailing petroleum products in the downstream oil industry.</p> <p>Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.</p>	Accomplished in 2017
<p>3,365 issuances of the following:</p> <ul style="list-style-type: none"> • Fuel Additive Registration (CFAR) • Acknowledgement of notices of Lubricating Product Importation (PLRs) • Notice to Purchase Local Bioethanol • SEC Endorsement • Notice to Engage (Lube Activity) 	<p>Issuances of SEC, CFARs, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business retailing of petroleum products in the downstream oil industry.</p> <p>To ensure that the government continuously monitor the engagement of business and other activities in the Downstream Oil Industry.</p>	Accomplished in 2017
57 INSPECTION REPORTS ON VERIFICATION OF THE EXISTENCE OF THE PLAYERS/STORAGE FACILITIES AND OF RETAIL OUTLETS GIVING FUEL DISCOUNTS TO PUVs	Counterchecking of the existence of facilities in the database vis-à-vis actual	Accomplished in 2017

<p>1,822 INSPECTION REPORTS ON GASOLINE STATIONS AND LPG ESTABLISHMENTS</p>	<p>The enforcement and monitoring functions of OIMB-RMMSCD is to ensure that the business of retailing petroleum products are of best quality, right quantity and safe and most importantly conforms to the Philippine National Standard (PNS) for petroleum products.</p> <p>Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.</p>	<p>Accomplished in 2017</p>
<p>1,525 NUMBER OF DENATURING ACTIVITIES ATTENDED</p>	<p>Under the Fuel Bioethanol Program and Revenue Regulations, a DOE-BIR joint activity is regularly done through the conduct of sampling of imported bioethanol, witness laboratory test on bioethanol purity and denaturing process for bioethanol, and actual gauging/inventory of bioethanol/denatured bioethanol.</p> <p>To ensure compliance to Bioethanol program and Revenue regulations (EO449).</p> <p>To ensure ethanol will be rendered unfit for oral intake and qualify for tax privileges.</p>	<p>Accomplished in 2017</p>
<p>80 DEPOT PRODUCT SAMPLING IN THE FOLLOWING AREA:</p> <ul style="list-style-type: none"> • MINDORO • NCR • DAVAO • ZAMBOANGA DEL NORTE • LEYTE • AGUSAN • PALAWAN • DUMAGUETE • BULACAN • LANA DEL NORTE • MARINDUQUE • MASBATE • NEGROS OCCIDENTAL • ILOILO • CEBU • CAMARINES SUR • CATANDUANES • DAVAO • NAGTAHAN • BATANGAS • STA. ANA, MANILA • PASIG 	<p>The strict compliance of the industry players to the standards of quality is consistently being monitored by the OIMB-DOE through the conduct of regular/routine or on-the-spot or complaint-initiated inspections and sampling from the refineries, bulk plants, depots, terminals and gasoline stations nationwide.</p> <p>To ensure continuous compliance of industry players to the standards of quality.</p>	<p>Accomplished in 2017</p>

2018 WORK PROGRAM

MFO 1: ENERGY SECTOR POLICY SERVICES		
NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION		
DEPARTMENT CIRCULAR TITLE	DESCRIPTION/SIGNIFICANCE	STATUS
NAT GAS DIVISION		
DOE DEPARTMENT CIRCULAR	<p>Department Circular mandating the Philippine National Standards on Natural Gas Quality</p> <p>To anticipate the issuance of the mandatory guideline on natural gas quality.</p>	Target issuance: 2nd Q of 2018
MEMORANDUM OF AGREEMENT	<p>Memorandum of Agreement (MOA) by the DOE and the UP School of Economics and UP National Engineering Center as members of the Technical Working Group (TWG) for the review and evaluation of natural gas projects</p> <p>To provide ascendancy by the DOE in the review and evaluation and recommendation for approval of a billion natural gas projects</p>	<p>On-going discussion with U.P. (Econ and Engineering Department)</p> <p>Initial drafting of the MOA Target Issuance 2nd Q 2018</p>
JOINT ADMINISTRATIVE ORDER	<p>Order for the joint and coordinated implementation by the DOE and the inter-agency Health, Safety, Security, and Environment (HSSE) Inspection and Monitoring Team (HSSE-IMT) such as DILG. DENR. DOH. MARINA, COAST GUARD to strengthen the memberships of the HSSE-IMT</p> <p>The JAO will enhance the cooperation of the concerned agencies for the effective and well-coordinated inspection activities to the existing and planned downstream natural gas infrastructure facilities and/or projects</p>	<p>Initial Drafting of the JAO On-going discussion with partner agencies</p> <p>Target issuance: 2nd-3rd Q 2018</p>
JOINT ADMINISTRATIVE ORDER ON INSPECTOR'S MANUAL	<p>Standard Operating Procedure in the conduct of an effective and efficient inspection activities in the existing and planned natural gas facilities among the inter-agency HSSE IMT</p> <p>To provide a consolidated, harmonized and standard procedure in the conduct of the inter-agency inspection/ monitoring of all existing and planned downstream natural gas facilities.</p>	Target issuance: 3rd-4th Q of 2018
JOINT ADMINISTRATIVE ORDER ON HSSE STANDARDS	<p>Consolidated HSSE standards among members of inter-agency HSSE IMT</p> <p>To provide a consolidated, readily available and easy-to-refer HSSE standards from different government agencies.</p>	Target issuance: 3rd-4th Q of 2018

DOWNSTREAM NATURAL GAS DEVELOPMENT PLAN	<p>Update the 2002 Natural Gas Development Plan. The framework provides the plans, programs and directions towards the development of the downstream natural gas industry in the Philippines</p> <p>An updated natural gas framework will provide a clear, defined and effective plans and programs for the development of the downstream natural gas industry as it is aligned and responsive to the current policy thrusts and directions of the energy sector.</p>	Target Issuance: 1st-2nd Q 2019
COMPETITION DIVISION		
DOE DEPARTMENT CIRCULAR	<p>Revised Circular on Oil Price Notification to include unbundling of both oil/ LPG base price and price adjustments supported by detailed explanation.</p> <p>1.) This report will provide the DOE the data set on the price component of the downstream oil value chain from the bulk supplier level, transport down to the retail level.</p> <p>2.) The data set shall be responsive for price analysis to finally resolve perennial location-specific inquiries from the congress, consumer groups and the public in general</p>	<p>Initial draft is done and now subject of on-going finalization.</p> <p>Target Issuance: First Q of 2018.</p>
DOE DEPARTMENT CIRCULAR	<p>Revised Circular on Minimum Inventory Requirements to clarify the minimum number of day/s supply for each product and institutionalize the submission of running inventory per product, per depot and per retail outlets on a monthly basis. To be incorporated also are provisions on the power of the Secretary to take control on the operation of downstream facilities and management of inventory during national emergencies.</p> <p>This report will provide the DOE data set on both industry compliance to the minimum supply requirement and the running inventory balance on a per depot, per product and per retail level for reporting purposes, supply security monitoring and inventory management during national emergencies.</p>	Target issuance: 2nd Q 2018
DOE DEPARTMENT CIRCULAR	<p>Liquid Fuel Industry Rules which will update the RA 8479 IRR issued in 1998 providing thereof the accreditation requirements for the whole downstream liquid fuel value chain.</p> <p>1.) This will supplement the revised Retail Rules, with the end-view of completing the rules governing the accreditation of</p>	Target issuance: 3rd-4th Q of 2018

	<p>the entire liquid fuels value chain from bulk to retail.</p> <p>2.) This will enhance and update the mandatory requirements for accreditation.</p>	
DOWNSTREAM OIL DEVELOPMENT PLAN	<p>The plan in its essence shall provide all stakeholders the view on both the indicative and committed projects of the downstream oil industry under the OIMB short-term to long-term sectoral roadmap.</p> <p>1.) The DOI Plan would serve as the concrete input to PEP and for inclusion to the proposed projects of national significance.</p> <p>2.) This will also aim to synchronize the establishment of facilities, i.e. refinery, import terminals, depots and retail outlets at the proper location (economic centers)</p>	<p>On-going discussion with the industry.</p> <p>Target issuance: 1st Q 2019</p>
RETAIL DIVISION		
DOE DEPARTMENT CIRCULAR	<p>Department Circulars on 2.7 kg LPG Markings to limit outdoor use.</p> <p>To mandate the implementation of the provision of the PNS on the required outdoor use only marking for 2.7 kg LPG cylinder and provide the immediate stop-gap measure in the absence of the DTI DAO since 2014 PNS promulgation.</p>	<p>Status: Approved and signed by the Secretary last 2/1/18 and now for publication.</p>
DOE DEPARTMENT CIRCULAR	<p>Creation of Special TWG on the disposal of confiscated petroleum products as support TWG to the DOE Disposal Committee.</p> <p>To provide a specific body to handle the proper assessment and recommendation on the disposal of the confiscated petroleum products.</p>	<p>Target Issuance: 2nd Quarter of 2018.</p>
DOE DEPARTMENT CIRCULAR	<p>Omnibus Inspector's Manual providing the guidelines on standard conduct of field inspection of all downstream oil facilities.</p> <p>To provide clear and standard procedure in the conduct of inspection/monitoring of all downstream oil facilities.</p>	<p>Draft is done and now subject of on-going finalization.</p> <p>Target Issuance: 3rd-4th Q 2018.</p>
STANDARDS DIVISION		
CODE OF SAFETY PRACTICES FOR LPP DEPOT (NEW)	<p>This Code covers the typical activities associated in the normal operations of a Retail Outlet applicable to all kind of lots from mid-block lot, corner lot and passing thru lot.</p> <p>The Code of Safety Practice in LPP Depot serves as safety guide and manual for all downstream oil industry players or companies on good practice procedures with reference to health, environment and safety. It also identifies minimum training</p>	<p>Targeted to be accomplished by 2018.</p>

	requirements for all personnel involve and working within the LPP Depot premises.	
PNS FOR ALTERNATIVE TYPES OF RETAIL OUTLETS (NEW)	<p>Standard for the installation of alternative retail outlets under Rule IV of the 2017 revised retail rules specifically on Marine, Technology Solutions and Temporary Emergency retail outlets.</p> <p>Standardized the safe installation and operation of alternative retail outlets pursuant to Rule IV of the 2017 revised retail rules specifically on Marine, Technology Solutions and Temporary Emergency retail outlets.</p>	Targeted to be accomplished by 2018.
PNS FOR MARINE FUEL (NEW)	<p>Development of Marine fuel specs based on current requirements of the maritime industry; its users and manufacturers.</p> <p>There is a regional/global thrust towards harmonizing fuel quality standard specifications for marine fuel for easier global/ international trade.</p>	Targeted to be accomplished by 2018.
REVIEW OF PNS FOR E10	<p>Revision/Update of 2012 E10 specs</p> <p>Limiting PNS coverage only for Euro 4-PH to align with the emission requirement of DENR under DAO No 2015-04 & 2016-23</p> <p>Improved several specs Incorporated other properties and its limits</p> <p>This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/regional environmental standards for fuels.</p>	<p>Targeted to be accomplished in 2018.</p> <p>Finalization of draft PNS for endorsement to BPS.</p>
REVIEW OF PNS FOR LPG REFILLING PLANT	<p>Standard for the installation of an LPG refilling plant, including the associated bulk storage area and tank farm facility</p> <p>This standard covers the requirements for the installation of an LPG refilling plant, including the associated bulk storage area and tank farm facility</p>	Targeted to be accomplished by 2018.
MEMORANDUM OF AGREEMENT	<p>Establishment of Downstream Oil industry management and operation training Center in collaboration with the industry and TESDA</p> <p>Providing institutionalized manpower capacity building both on management and operation of downstream oil industry facilities.</p>	Targeted to be accomplished by 2018.
REVIEW OF PNS FOR KEROSENE	Review/Update of kerosene based on current requirements of the industry its users and manufacturers.	Targeted to be accomplished by 2019.

	This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/ regional environmental standards for fuels.	
REVIEW OF PNS FOR EMULSIFIED/BUNKER FUEL	<p>Review/Update of Fuel oil/Emulsified oil based on current requirements of the industry its users and manufacturers.</p> <p>This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/ regional environmental standards for fuels.</p>	Targeted to be accomplished by 2019
MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION		
NUMBER OF PROMOTIONAL EVENTS UNDERTAKEN		
TARGET ESTABLISHMENTS/INDUSTRIES FOR THE CONDUCT OF IECs	DESCRIPTION/SIGNIFICANCE	STATUS
NAT GAS DIVISION		
14 ON-GOING COORDINATION WITH TARGET INDUSTRIES FOR THE IEC	<p>The conduct of Information, Education, and Communication (IEC) campaigns is to promote the basic of natural gas and industry development being natural gas is a new sector in the energy. The market profiling on the other hand involves market survey on the profile of the energy requirement of industries to determine if the said industry can convert to natural gas use if gas is readily available.</p> <p>The main objective of the IEC is to create awareness on natural gas being it a new sector in the energy. The familiarization or actual visit to the gas facilities will provide an in-depth understanding on the operation of the natural gas facilities as well as first hand exposure to enhance the participant's appreciation on natural gas. The market survey aims to have an energy profile requirement of the industries to determine if an industry can readily convert to natural if it is readily available.</p>	2018
RETAIL DIVISION		
15 IECs in BACOLOD CITY, TALISAY, LA CARLOTA CITY, GENERAL SANTOS CITY, POLOMOLOK AND KORONADAL CITY. SOME SCHEDULED IECs WHERE POSTPONED DUE TO TIME CONSTRAINS AND UNAVAILABILITY OF VENUES FOR HOST LGUS.	<p>The conduct of Information, Education, and Communication (IEC) campaigns under the SAFE LPG Project is OIMB-RMMSCD's contribution to the DOE Gender and Development (GAD) Program and Focal Point System targeting women's associations or groups in the society.</p> <p>The main objective of the SAFE LPG Project is to increase the awareness and</p>	2018

	knowledge of women in the proper handling and safe usage of LPG. Most women are the ones who are left behind in their respective homes to attend to the household chores such as cooking requirements for their families.	
MFO 3: ENERGY SECTOR REGULATION		
NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED		
ISSUANCE	DESCRIPTION/SIGNIFICANCE	STATUS
NAT GAS DIVISION		
Issuances of 10 Pre- Application Conference, Notice To Proceed, Permit To Construct And Endorsements	<p>The Pre-application conference is a first step for the investor in the process to present the major concept of the proposed project as well as seek clarification on the provisions of the Circular. The Issuances of NTP, PTC, AST re in accordance or compliance to the DC 2017-11-0012 business retailing of petroleum products in the downstream oil industry.</p> <p>The non-pricing regulation by the government ensures that applicants of the downstream natural gas project have the capacity to meet the legal, technical and financial in implementing the proposed project. The regulation also ensures that operator of the project are employing the international standards and best practices during construction, operation and maintenance activities of the natural gas facilities</p>	2018
COMPETITION DIVISION		
2,020 reports on the following: <ul style="list-style-type: none"> • daily oil price monitor • weekly oil price situationer • issuances of certifications • endorsements • import/export acknowledgement • industry player acknowledgement • bioethanol program accreditation 	<p>Compliance to existing laws, rules, and regulations relative to the business retailing of petroleum products in the downstream oil industry.</p> <p>To ensure that the government continuously monitor the engagement of business and other activities in the Downstream oil Industry.</p>	2018
RETAIL DIVISION		
Issuances of 1,000 COC,SCC, Endorsements and Certifications	<p>Issuances of COCs, SCCs, SEC Endorsements, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business of retailing petroleum products in the downstream oil industry.</p> <p>Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special</p>	2018

	concerns affecting the downstream oil industry management and ensures effective implementation thereof.	
STANDARDS DIVISION		
2,012 issuances of the following: <ul style="list-style-type: none"> • Fuel Additive Registration (CFAR) • Acknowledgement of notices of Lubricating Product Importation (PLRs) • Notice to Purchase Local Bioethanol • SEC Endorsement • Notice to Engage (Lube Activity) 	Issuances of SEC, CFARs, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business retailing of petroleum products in the downstream oil industry. To ensure that the government continuously monitor the engagement of business and other activities in the Downstream oil Industry.	2018
SUPERVISION AND MONITORING		
NAT GAS DIVISION		
6 INSPECTION REPORTS ON NATURAL GAS FACILITIES	Conduct of a inspection activities in coordination with the inter-agency HSSE IMT is to ensure that operators of the natural gas facilities are in compliance to international standards and best practices on health, safety, security and environment during construction, operation and maintenance activities in the gas facilities Enforcement of DOE's monitoring on the construction, operation and maintenance of natural gas facilities with the inter-agency HSSE IMT to ensure that operators of the natural gas facilities are compliant to Health, Security, Safety and Environment (HSSE) best practices	2018
COMPETITION DIVISION		
20 INSPECTION REPORT ON OIL BULK SUPPLIER FACILITIES	Verification of the existence of the players'/storage facilities and of retail outlets giving fuel discounts to PUVs Counterchecking of the existence of facilities in the database vis-à-vis actual	2018
RETAIL DIVISION		
1,800 INSPECTION REPORT ON GASOLINE STATIONS AND LPG ESTABLISHMENTS	The enforcement and monitoring functions of OIMB-RMMSCD is to ensure that the business of RETAILING PETROLEUM products are of best quality, right quantity and safe and most importantly conforms to the Philippine National Standard (PNS) for petroleum products. Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.	2018

STANDARDS DIVISION		
1,200 NUMBER OF DENATURING ACTIVITIES ATTENDED	<p>In compliance to the Fuel Bioethanol Program and Revenue Regulations, a DOE-BIR joint activity is regularly being undertaken since 2006 through the conduct of sampling of imported bioethanol, witness laboratory test on bioethanol purity and denaturing process for bioethanol, and actual gauging/inventory of bioethanol/denatured bioethanol. Denaturing the bioethanol with ULG will render it unfit for oral intake and qualify for avilment of tax privileges.</p> <p>To ensure compliance to Bioethanol program and Revenue regulations (EO449).</p> <p>To ensure ethanol will be rendered unfit for oral intake and qualify for tax privileges.</p>	2018
100 DEPOT PRODUCT SAMPLING	<p>The strict compliance of the industry players to the standards of quality is consistently being monitored by the OIMB-DOE through the conduct of regular/routine or on-the-spot or complaint-initiated inspections and sampling from the refineries, bulk plants, depots, terminals and gasoline stations nationwide. On-the-spot field tests and other confirmatory examinations are also being performed to detect any form of adulteration.</p> <p>To ensure continuous compliance of industry players to the standards of quality</p>	2018