

SENATE

P.S. Res. No. 581

18 JAN 15 P2:56

Introduced by SEN. WIN GATCHALIAN

A RESOLUTION DIRECTING THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EXISTING INVENTORIES OF COAL AND OIL, AND TO MONITOR AND EVALUATE ELECTRICITY AND FUEL PRICES TO ENSURE NO PREMATURE PRICE INCREASES ARE BEING PAID BY CONSUMERS AS A RESULT OF THE NEW EXCISE TAX RATES UNDER REPUBLIC ACT NO. 10963 OR THE TAX REFORM FOR ACCELERATION AND INCLUSION ACT

WHEREAS, Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) became effective last 1 January 2018, and provided for an increase in the coal and oil excise taxes;

WHEREAS, the new excise tax rates for 2018 are as follows: Php 50.00 per metric ton for coal, Php 7.00 per liter for unleaded and premium gasoline; and Php 2.50 per liter for diesel;

WHEREAS, the Department of Energy (DOE) has two department circulars, DC2010-03-0003¹ and DC2003-01-001,² requiring oil-based generation companies to maintain in-country stock of fuel equivalent to at least 15-days, coal power plants to ensure a 30-day coal running inventory, oil companies and bulk suppliers to secure a minimum inventory equivalent to 15 days supply of petroleum products, and refiners to keep a minimum inventory equivalent to 30 days supply of petroleum crude oil and refined petroleum products;

WHEREAS, the new excise tax rates are not applicable to coal and oil stocks that entered the Philippines on or before 31 December 2017.

WHEREAS, increases in electricity and fuel prices as a result of the new excise tax rates should only take effect once old reserves have been depleted and new inventories that entered the country starting 1 January 2018 are already being used;

WHEREAS, to prevent abuse, DOE issued guidelines requiring all oil companies to submit their notarized inventory report as of 31 December 2017 and daily summaries of withdrawals starting 1 January 2018 until the depletion of their respective declared inventories. However, DOE has not issued any related guidelines for coal stocks;

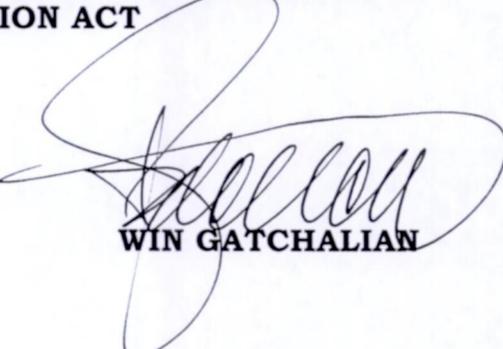
¹ Directing All Power Generation Companies, the Transmission Service Provider, and All Distribution Utilities to Ensure Adequate and Reliable Electric Power Supply in the Country (2010).

² Guidelines Implementing the Minimum Inventory Requirement of Oil Companies and Bulk Suppliers as Provided under Executive Order No. 134 (2003) as repealed by DOE Department Circular DC2003-03-002 and thereafter reinstated by DOE Department Circular DC2011-03-002.

WHEREAS, it is necessary for the Senate Committee on Energy to inquire of the current status of coal and oil stocks, and monitor and evaluate electricity and fuel prices as well as DOE's efforts on these matters to prevent and deter possible abuses in the form of premature increases in generation charges and pump prices;

NOW THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED, TO DIRECT THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EXISTING INVENTORIES OF COAL AND OIL, AND TO MONITOR AND EVALUATE ELECTRICITY AND FUEL PRICES TO ENSURE NO PREMATURE PRICE INCREASES ARE BEING PAID BY CONSUMERS AS A RESULT OF THE NEW EXCISE TAX RATES UNDER REPUBLIC ACT NO. 10963 OR THE TAX REFORM FOR ACCELERATION AND INCLUSION ACT

Adopted,



WIN GATCHALIAN