

SENATE BILL NO. 1382
ELECTRIC VEHICLES AND
CHARGING STATIONS ACT

AMCHAM SPECIAL REFORM LEGISLATION DISCUSSION SERIES
THE AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES INC.

21 July 2020

SENATOR WIN GATCHALIAN



HOTLINE: 1342
PASSENGER CAPACITY: 21
NUMBER HOTLINES:
0916-4209985501342



ZABARTE

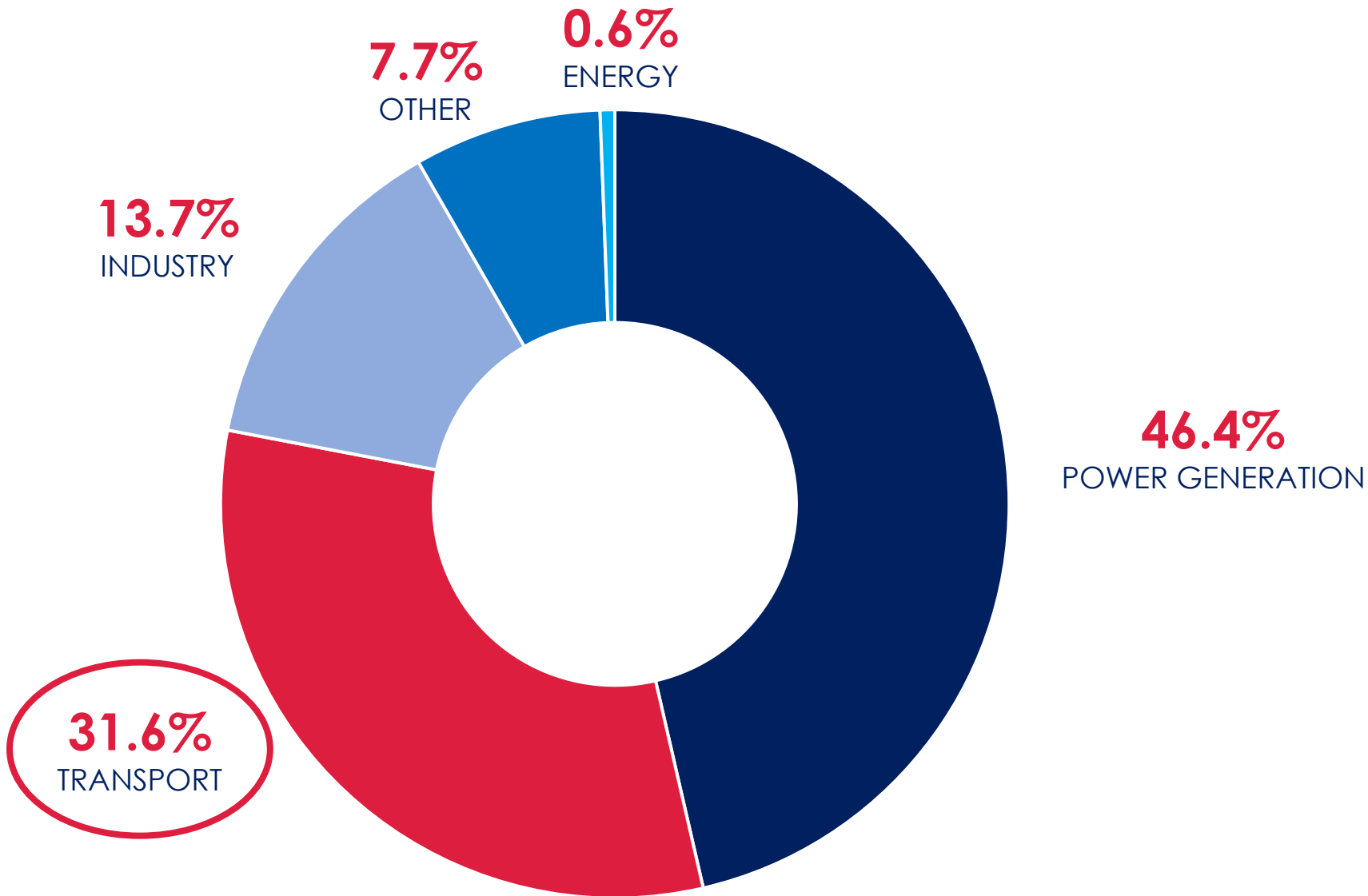
MLT
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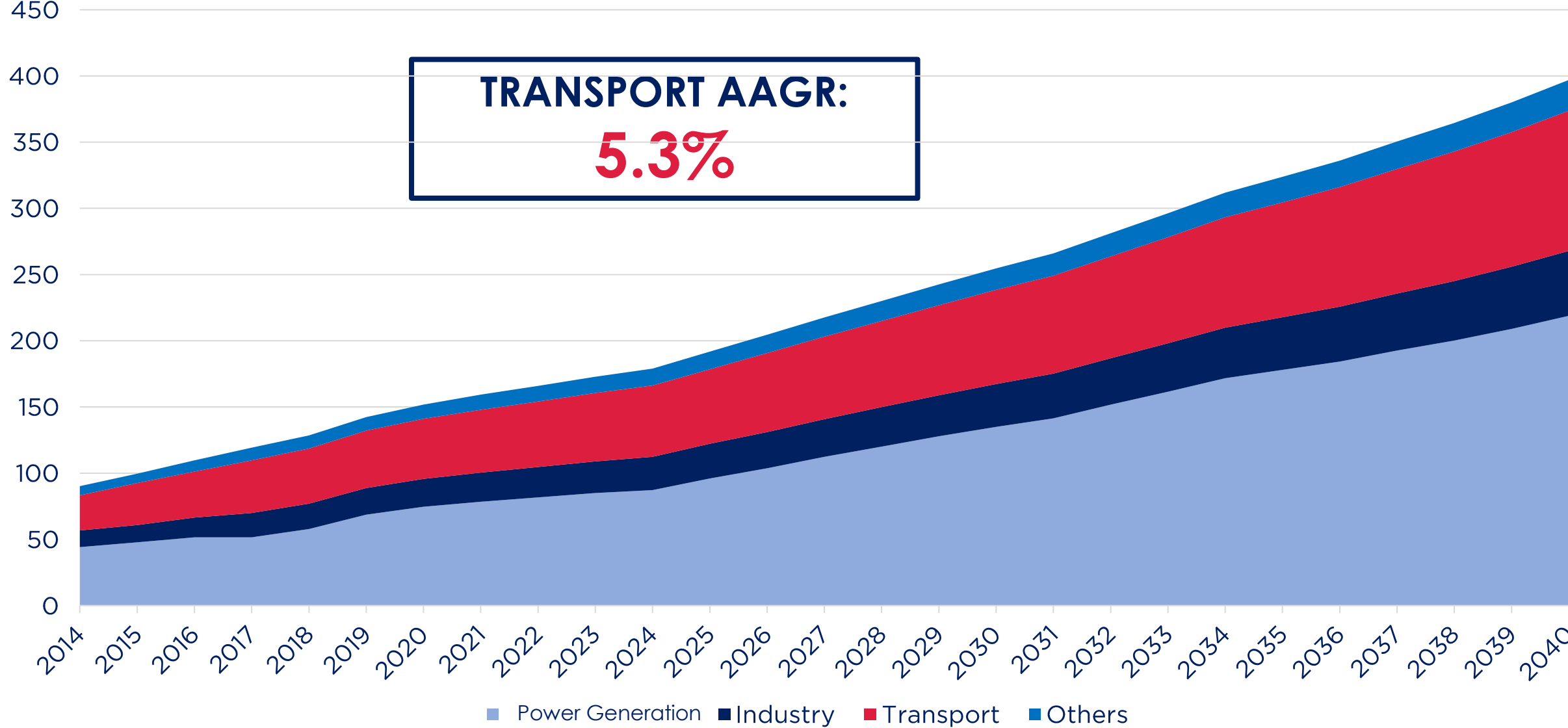
2017 GREENHOUSE GAS EMISSION PER ENERGY SUBSECTOR

Source: Department of Energy, Philippine Energy Plan



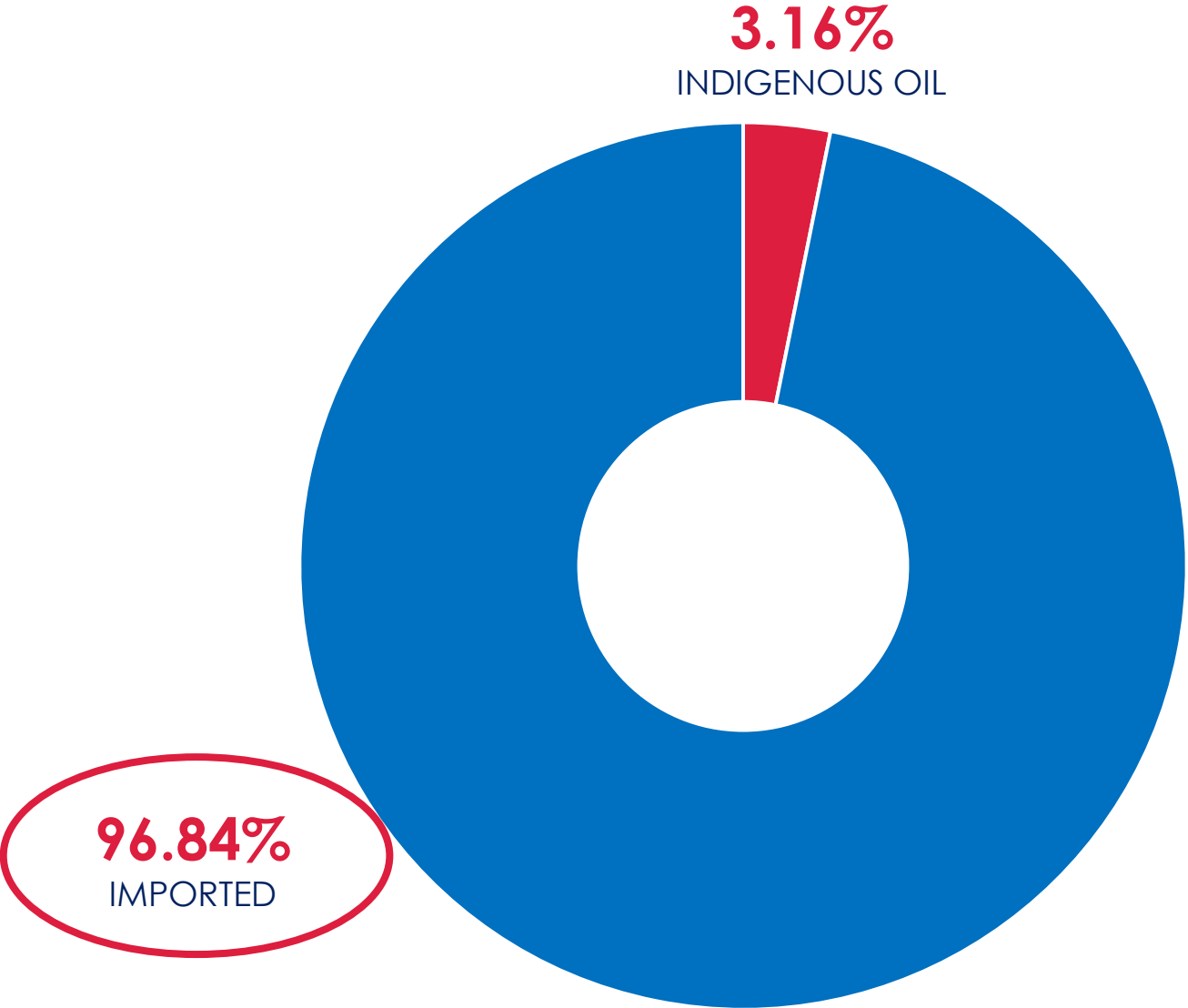
PHILIPPINE GREENHOUSE GAS EMISSION OUTLOOK, IN MTCO₂e (2014-2040)

Source: Department of Energy, Philippine Energy Plan



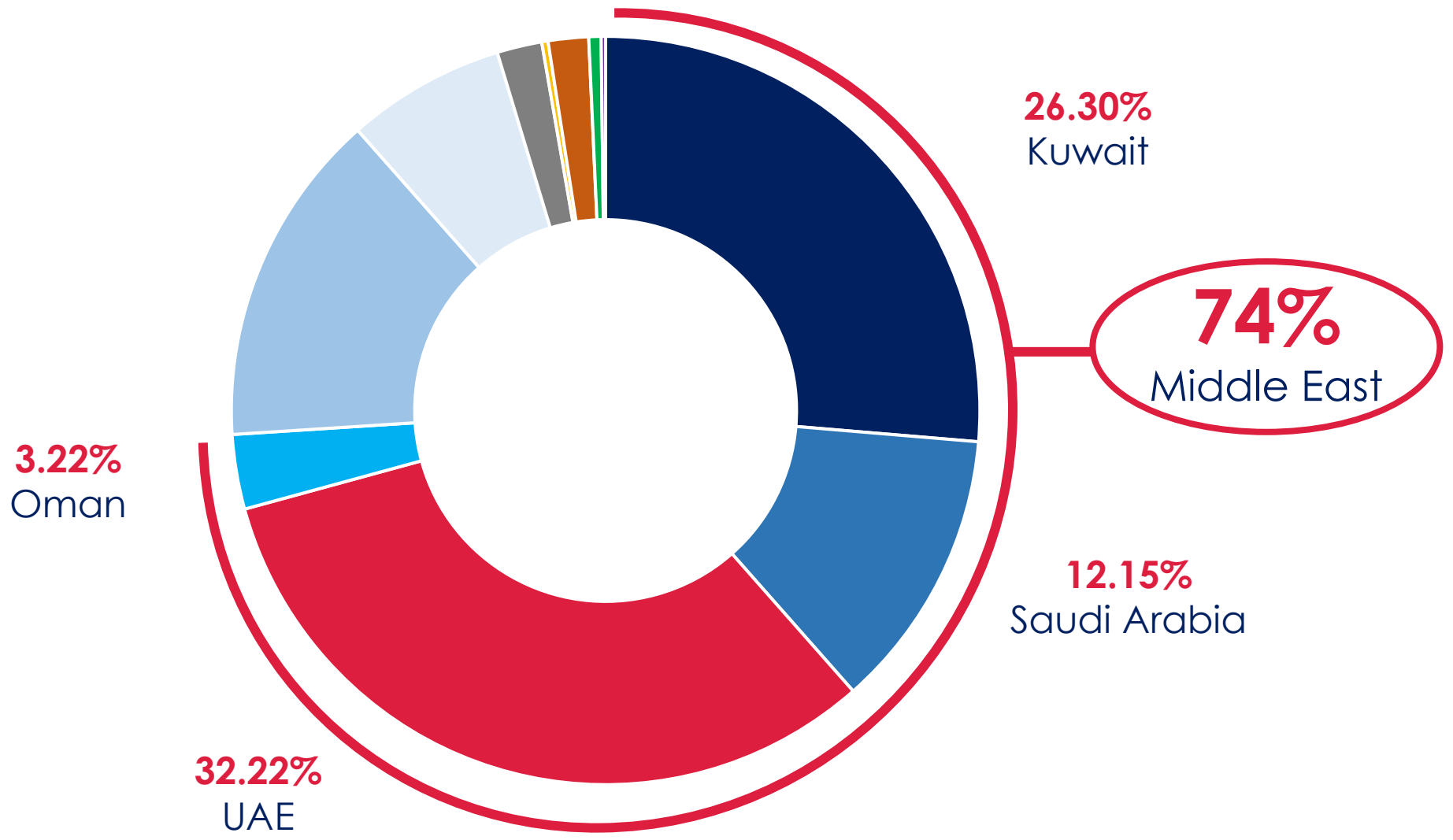
IMPORTED VS. INDIGENOUS OIL (2017)

Source: Philippine Statistical Yearbook (2018)



TOTAL CRUDE OIL IMPORT BY COUNTRY BY PETRON AND SHELL

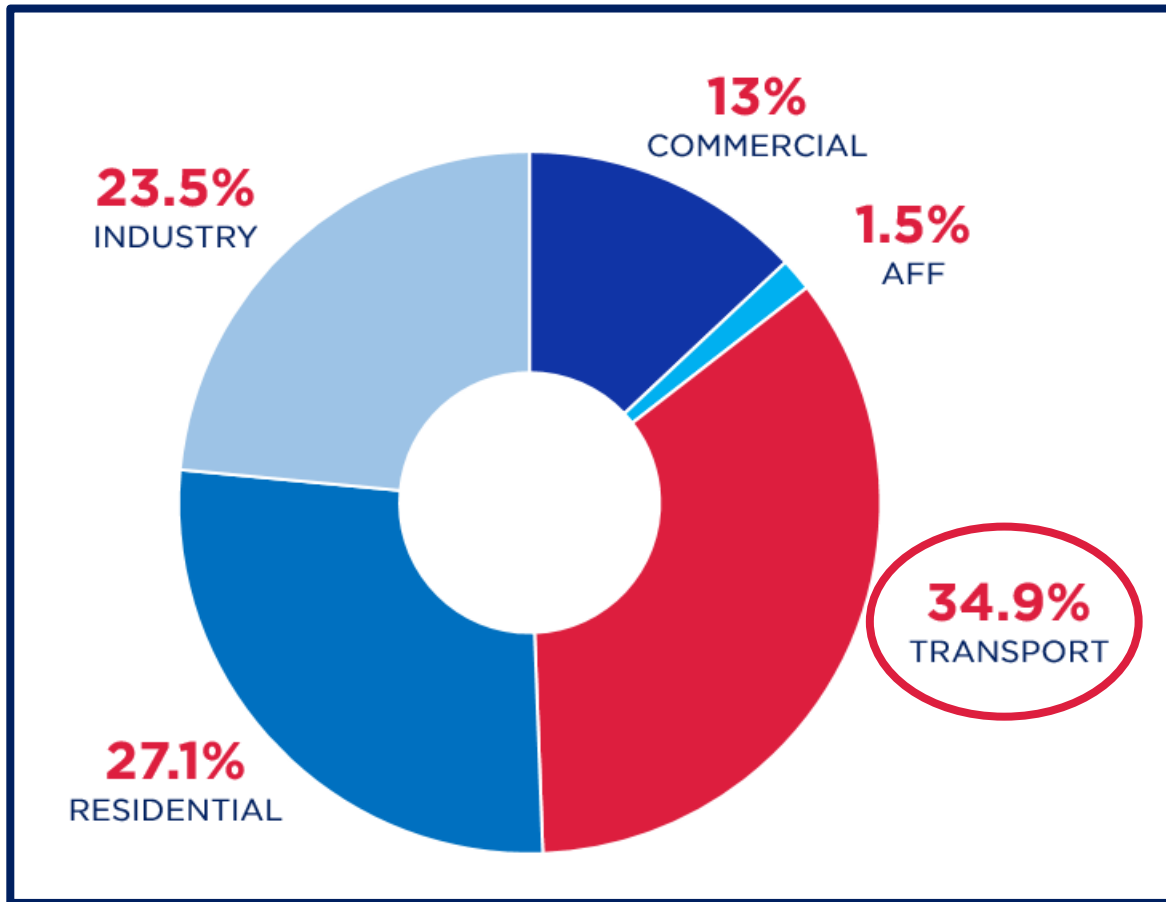
Source: Philippine Energy Situationer (2017)



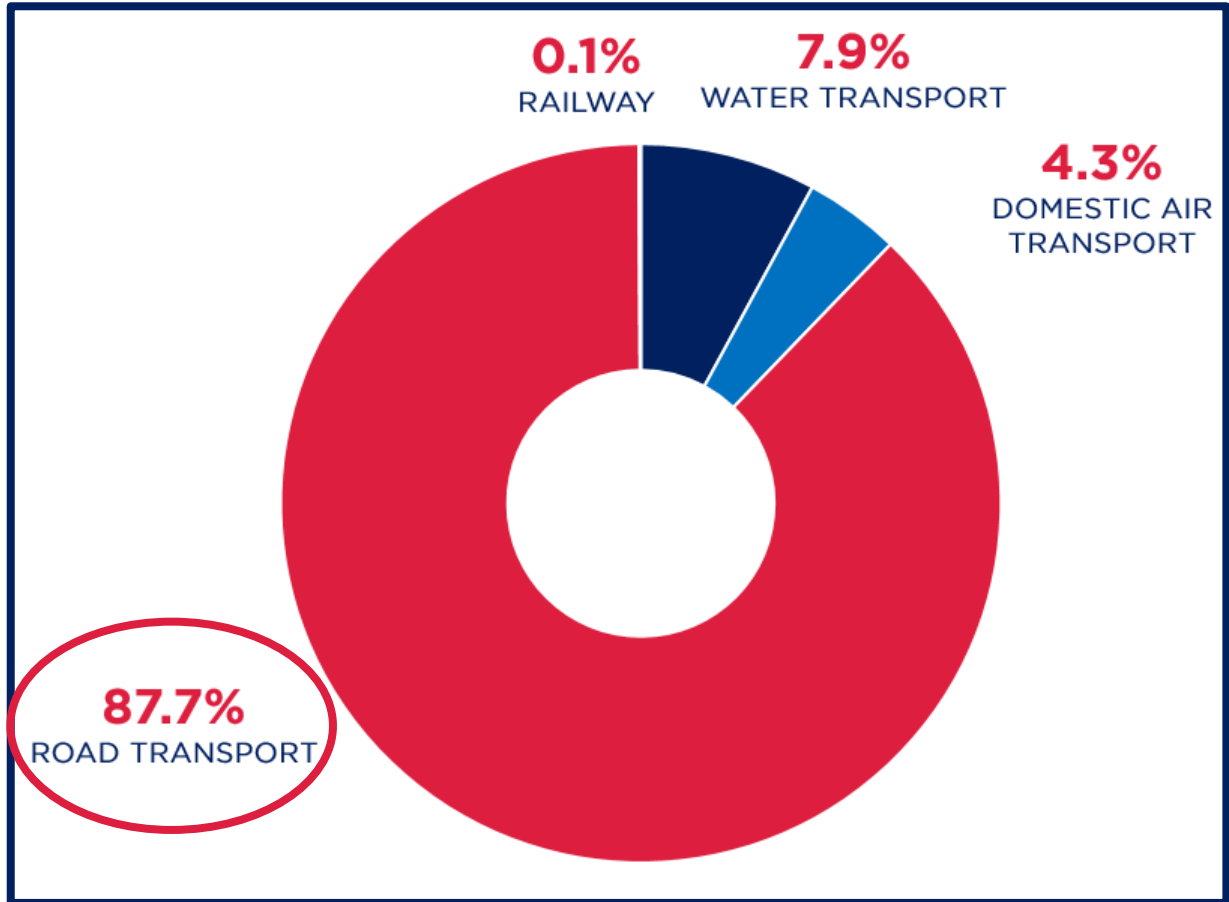
TOTAL FINAL ENERGY CONSUMPTION BY SECTOR PERCENTAGE SHARES, 2017

Source: Philippine Energy Situationer (2017)

NATIONAL



TRANSPORT



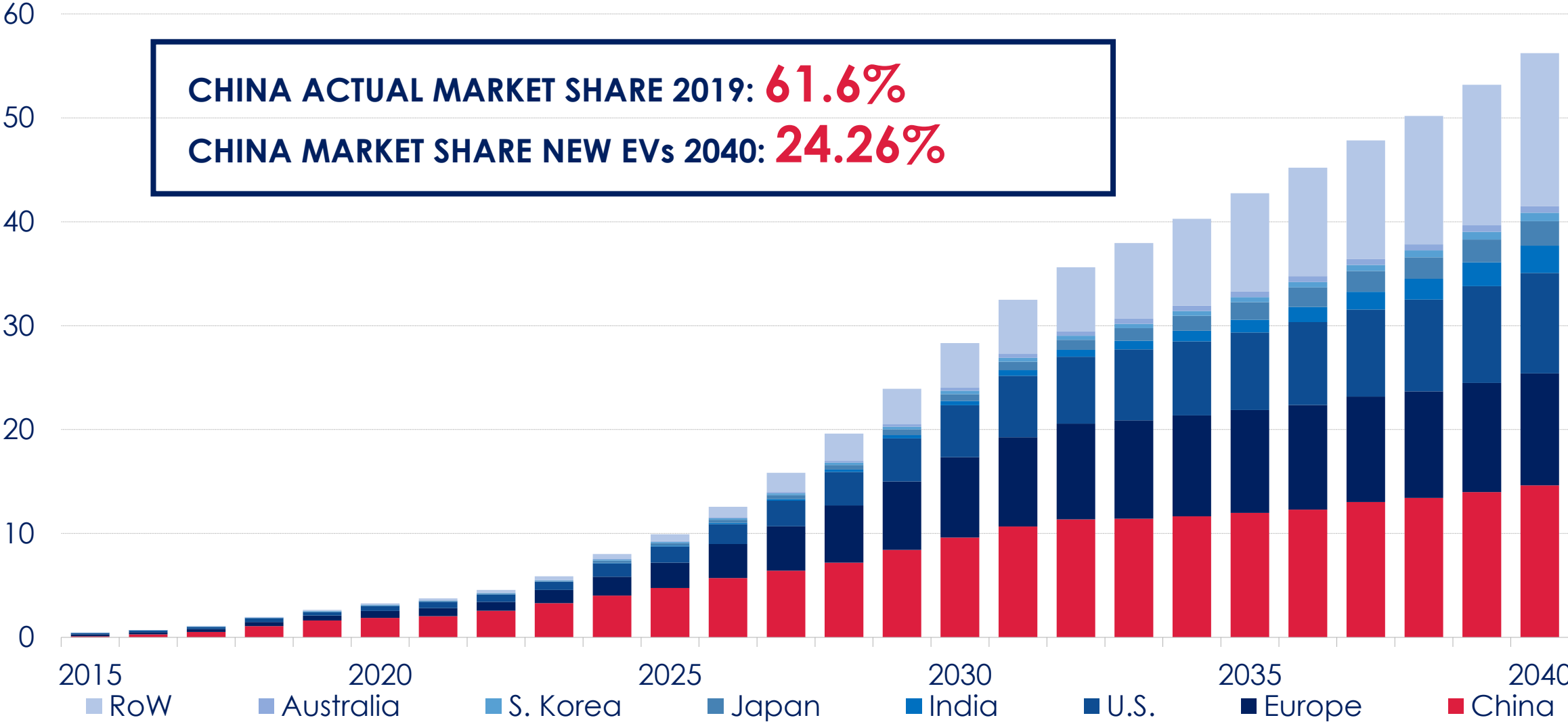
TESLA ELECTRIC VEHICLE



ELECTRIC VEHICLE SALES FORECAST

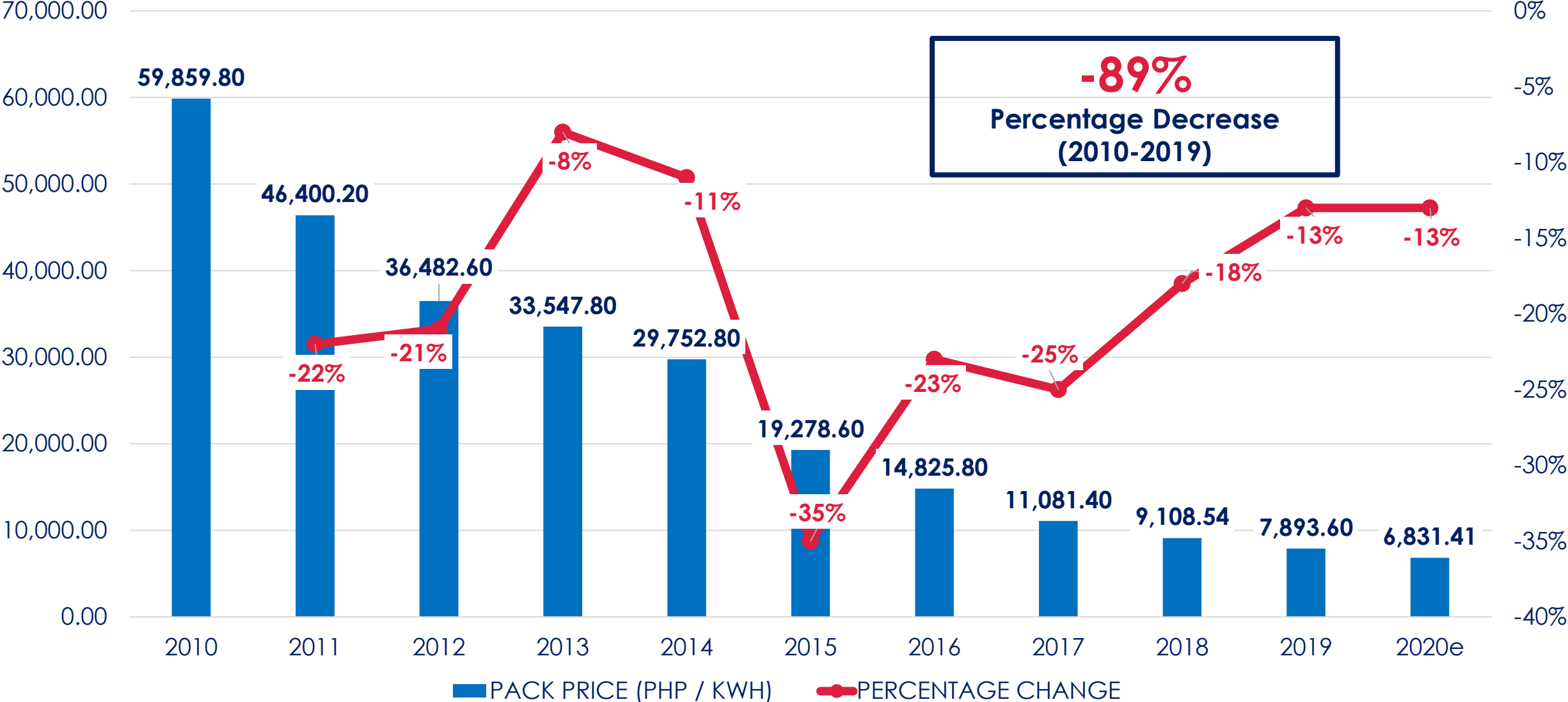
Source: Bloomberg New Energy Finance (2019)

MILLION EVs



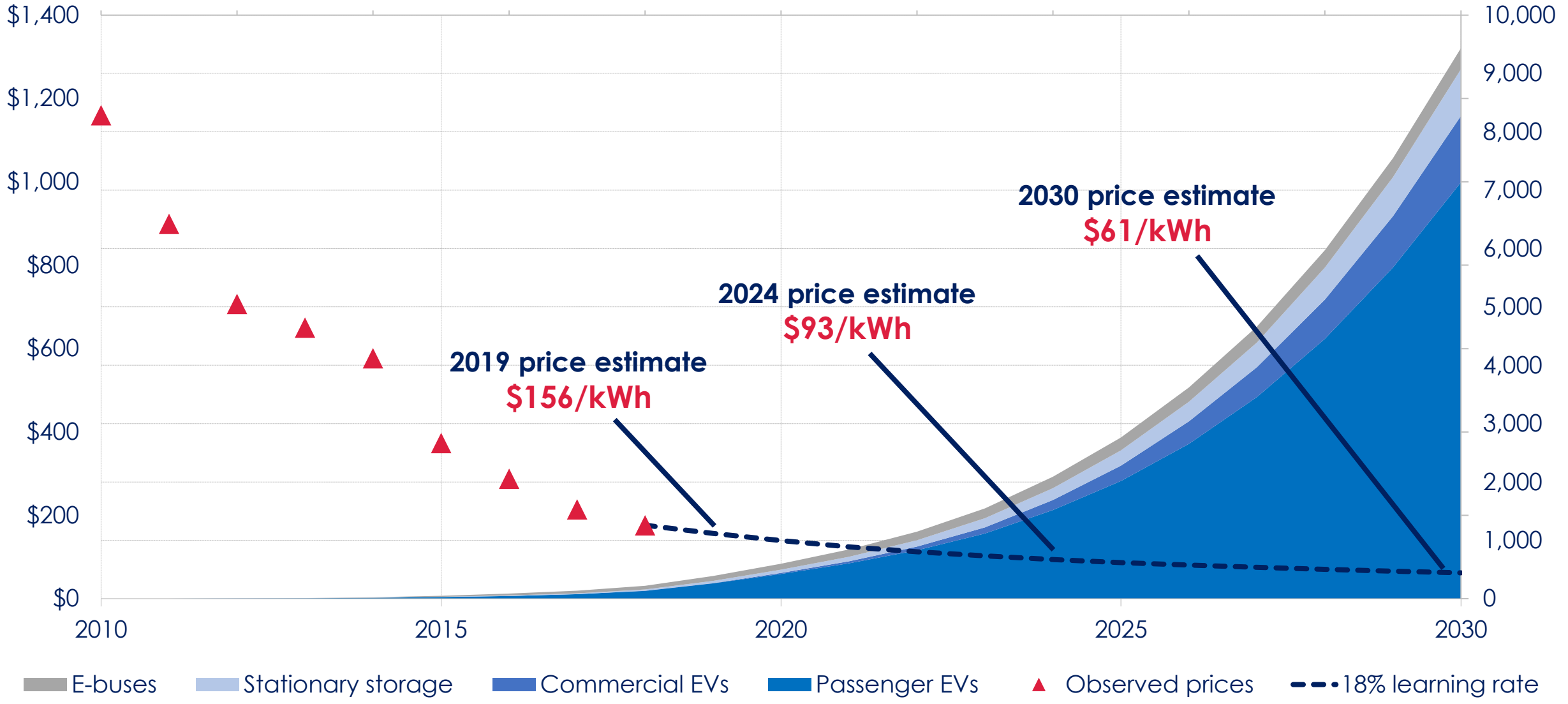
LITHIUM-ION BATTERY PRICES SURVEY RESULTS (PHP/kWh)

Source: Bloomberg New Energy Finance (2019)



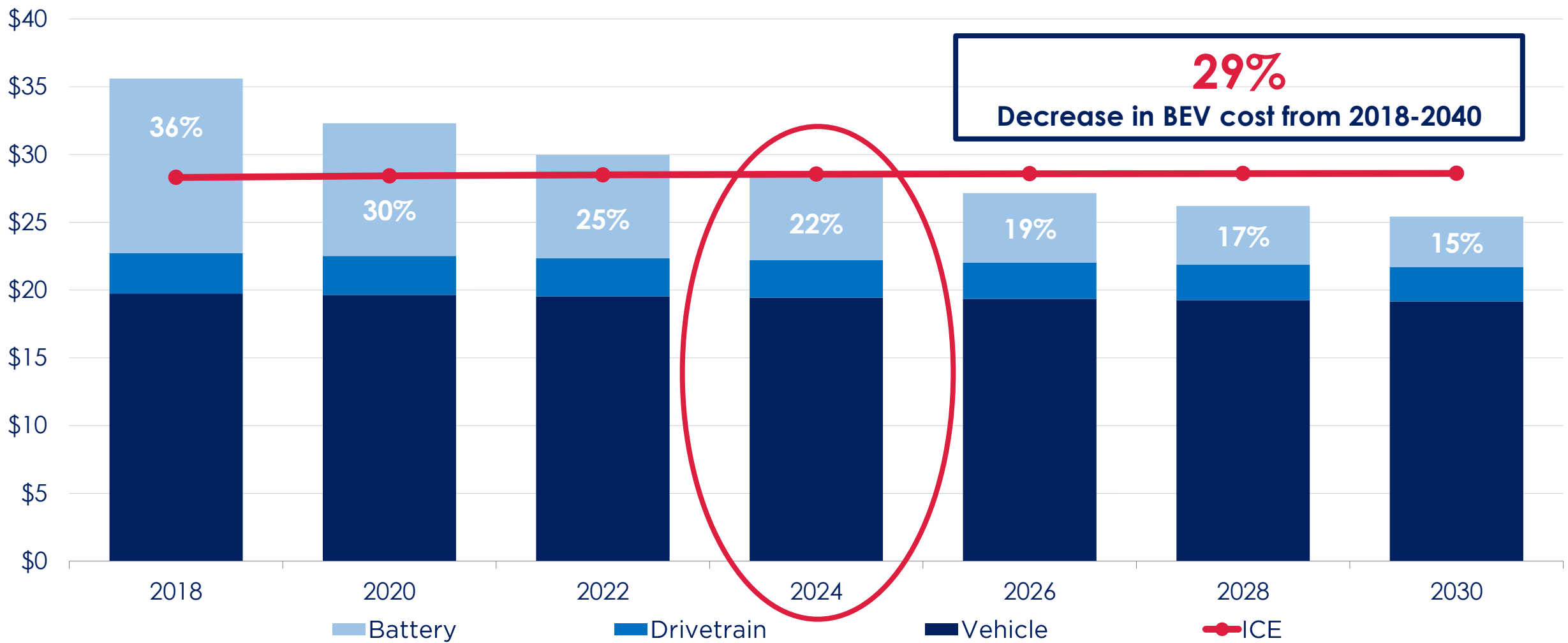
LITHIUM-ION BATTERY PRICES AND DEMAND OUTLOOK (REAL 2019 \$/kWh)

Source: Bloomberg New Energy Finance (2019)



MEDIUM SEGMENT BEV AND ICE PRE-TAX AND SHARE OF BATTERY COST IN THE US (REAL 2018 THOUSAND USD AND %)

Source: Bloomberg New Energy Finance (2018)



YEAR OF EXPECTED PRICE PARITY PER REGION AND SEGMENT

Source: BNEF Research Note on Battery EV cost (2020)

YEAR OF EXPECTED PRICE PARITY

SEGMENT	U.S.	EUROPE	CHINA	JAPAN	SOUTH KOREA
SMALL	2024	2027	2026	> 2030	2026
MEDIUM	2024	2023	2023	2029	2024
LARGE	2022	2022	2027	2027	2026
SUV	2022	2024	2029	2025	2023

YEAR OF EXPECTED PRICE PARITY INCLUDING HOME CHARGER COSTS

SMALL	2025	2029	2028	NO DATA
MEDIUM	2025	2025	2024	
LARGE	2023	2023	2028	
SUV	2023	2026	2030	

ESTIMATED ANNUAL OIL AND PESO SAVINGS

Source: Land Transportation Office; PSA (April 2017). Additional Computations by OSSTG

VEHICLE	TOTAL NO. OF VEHICLES	ANNUAL MILEAGE PER VEHICLE (IN KM)	TOTAL BARRELS OF OIL SAVED PER 1,609 KM (IN BBL)	TOTAL PESO SAVINGS PER 1,609 KM (IN PHP)	TOTAL ANNUAL BARRELS OF OIL SAVED (IN BBL)	TOTAL ANNUAL PESO SAVINGS (IN PHP)
BUSES	27,842	34,012	134,422	273,295,048.37	284,143	5,775,852,949
CARS	913,832	20,505.30	2,941,333	5,980,072,328.24	3,748,393	76,194,699,139
TRUCKS	364,531	12,958	1,759,963	3,578,209,800.96	1,417,347	28,810,843,328
UVs and SUVs	2,244,365	20,505.30	7,223,893	14,687,015,809.22	9,206,026	187,133,648,125
TOTAL	3,550,570	87,980.60	12,059,610.21	24,518,592,986.79	14,655,908.50	297,915,043,540.29

HIGHLIGHTS OF SBN. 1382

- Provides for the development of the entire electric vehicle industry
- Provides for the development of the entire EV ecosystem through supply and demand side interventions
- Dedicated parking slots with mandatory charging stations in every public and private building and establishments including gasoline stations
- Fiscal and non-fiscal incentives for local EV manufacturers and EV users

PLANNING

COMPREHENSIVE ROADMAP FOR ELECTRIC VEHICLES (DOE)

- National plan with an annual work plan to accelerate the electrification of transportation in the country
- Four components:
 - Electric Vehicles and Charging Stations (DOE)
 - Manufacturing (DTI)
 - Human Resource Development (DTI)
 - Research and Development (DOST)

CHARGING STATIONS

- Dedicated parking lots with charging stations in every public and private building and establishment
- Mandatory public charging stations in gasoline stations and public buildings and establishments
- Charging station service providers allowed to install, own, operate charging stations in gasoline stations, and public and private buildings and establishments

ROLE OF GOVERNMENT

- DTI to develop the electric vehicle industry to include:
 - Manufacturing of EVs, charging stations, batteries, and their respective parts
 - Research and development with DOST
 - Human resource development with TESDA and CHED
- DOE to promote EV use and develop charging infrastructure
- DOTr to mandate inclusion of green routes in Local Public Transport Route Plans of LGUs
- ERC to regulate rates charged by DUs on all charging stations



FISCAL INCENTIVES: IMPORTATION

- Importation of completely built units of EVs and charging stations shall be exempt from excise taxes, duties, and VAT 9 years from effectivity
- DOF, upon recommendation of BOI, may suspend exemption for imported electric jeepneys and electric tricycles in order to protect local manufacturers

FISCAL INCENTIVES: UTILIZATION

Within 9 years from effectivity:

- Exemption from VAT in the purchase of EVs and charging equipment
- 30% discount from payment of MVUC, vehicle registration fee, and inspection fee

FISCAL INCENTIVES: MANUFACTURING

1. Inclusion in IPP and entitlement to incentives under EO 226 10 years from effectivity:
 - Manufacture and assembly of EVs, charging stations, and parts and components
 - Establishment and operations of charging stations
2. EV incentive strategy similar to EO 182 CARS (2015)
 - Narrow the cost gap between EVs and ICE
 - Provide time-bound, targeted, performance-based, and transparent fiscal and non-fiscal support to attract EV and EV parts manufacturing (electronic parts, batteries, charging stations, testing facilities)
 - Set local production targets within 7 years from promulgation

IMPACT OF FISCAL INCENTIVES ON SRP OF VARIOUS EVs (PHP)

Source: CAMPI (2020)

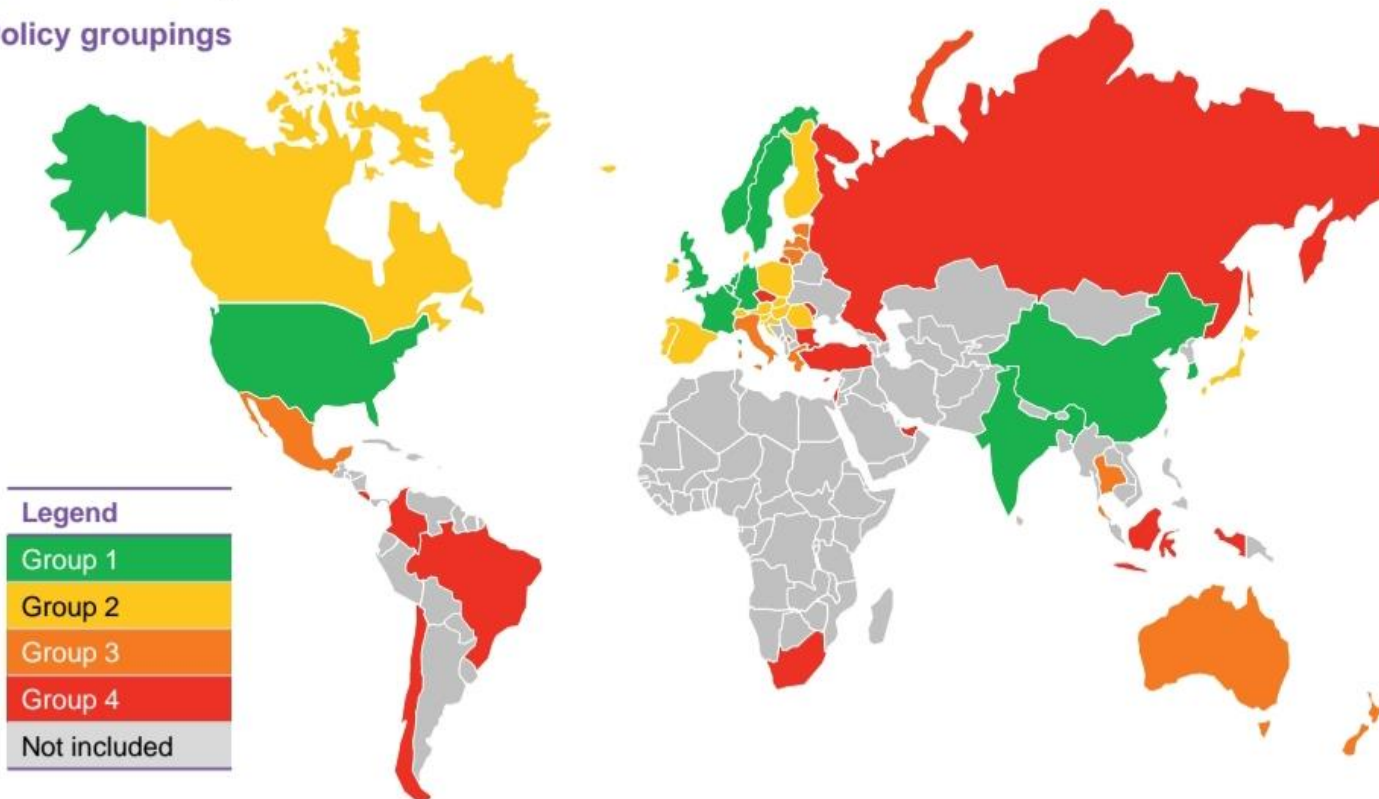
PARAMETER	HYBRID EV*	% (DECREASE)	PHEV**	% (DECREASE)	BEV*	% (DECREASE)
Current SRP	2,339,000	n/a	3,000,000	n/a	3,000,000	n/a
SRP no VAT	2,088,393	(10.71)	2,678,571	(10.71)	2,678,571	(10.71)
SRP no import tariff	1,799,231	(23.08)	2,307,692	(23.08)	2,538,462	(15.38)
SRP no VAT and excise	1,898,539	(18.83)	2,435,065	(18.83)	2,678,571	(10.71)
SRP no VAT and import tariff	1,606,456	(31.32)	2,060,440	(31.32)	2,060,440	(31.32)
SRP no excise	2,126,364	(9.09)	2,727,273	(9.09)	3,000,000	0
SRP no excise and import tariff	1,635,664	(30.07)	2,097,902	(30.07)	2,307,692	(23.08)
SRP no VAT, excise, and import tariff	1,460,415	(37.56)	1,873,127	(37.56)	2,060,440	(31.32)

* Passenger Car

** Sport Utility Vehicle

Heat map

Policy groupings



Legend
Group 1
Group 2
Group 3
Group 4
Not included

Group 1 <i>Comprehensive support</i>	Group 2 <i>Moderate support</i>	Group 3 <i>Limited support</i>	Group 4 <i>Minimal support</i>
<ul style="list-style-type: none"> • Purchase subsidies at some level • Fiscal support at the national level • EV and EV charging infrastructure support at the state or municipal levels • EV and EV charging infrastructure support at the national level • Policy support for all groups (private, industry, public) at the national level • Policy support for all groups (private, industry, public) at the state or municipal level 	<ul style="list-style-type: none"> • Purchase subsidies at some level • Fiscal support at some level • Policy support for all groups (private, industry, public) at some level • Other EV and charging infrastructure support at some level 	<ul style="list-style-type: none"> • Purchase subsidies or fiscal support at some level • Other policy support at some level 	<ul style="list-style-type: none"> • Other policy support at some level

Source: BloombergNEF.

SETSCO ELECTRIC JEEP







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