



PHILIPPINE INSTITUTE OF PETROLEUM

The National Association of Oil Companies

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POSITION PAPER OF THE PHILIPPINE INSTITUTE OF PETROLEUM COCOMETHYL ESTER BLEND WITH DIESEL AS AUTOMOTIVE FUEL

PIP Update on Biofuels Mandate

The Philippine Institute of Petroleum (PIP), believe that to ensure commercial viability and long-term success of the alternative fuels program, it is necessary to have a two-year transition or preparatory period prior to the implementation of a full mandate for pre-blended biodiesel (similar to the one proposed for bioethanol) in order for its member companies to be able to do the following:

- 1. Set up the necessary logistical facilities nationwide to received, store and homogenously blend the biodiesel.**
- 2. Conduct tests on storage and handling to ensure no problems arise** from bulk storage of the pre-blended biodiesel over a long period.
- 3. Conduct more product development involving CME** – i.e. finalize the additives that can be blended into diesel to ensure no engine performance problems will arise due to CME-blend. To date, CME has not undergone the same kind of extensive engine performance test as is normally required for any new fuel additive to be incorporated into diesel engine fuels.

The oil companies are more than willing to comply with the law, but may experience some initial difficulties in doing so. But the law only allows a 3-month phase-in period, by which all diesel must contain 1% CME. This gives the oil companies considerable problems, but they will do their best to comply.