
GOVERNMENT NOTICE

DEPARTMENT OF ENERGY

No. R. 745

16 September 2011

PETROLEUM PRODUCTS ACT, 1977**DRAFT REGULATIONS REGARDING THE MANDATORY BLENDING OF BIOFUELS
WITH PETROL AND DIESEL**

I, Dipuo Peters, Minister of Energy, in terms of section 12C(2), hereby publish for comment the draft Regulations in the Schedule, to be made under sections 12C(1)(a)(v)(aa), (b), (e) and (f) of the Petroleum Products Act, 1977 (Act No. 120 of 1977).

Comments must be submitted not later than 16h30 on 18 November 2011 to Mr. Muzi W. Mkhize at fax no. (012) 341 4228 or E-mail address:

muzi.mkhize@energy.gov.za / mashudu.sinthumule@energy.gov.za /

mmarena.mphahlele@energy.gov.za

Enquiries may be made on telephone number (012) 444 4015 / (012) 444 4035.

DIPUO PETERS**MINISTER OF ENERGY**

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Definitions

1. In these Regulations, any word or expression to which a meaning has been assigned in the Act and in the Specifications and Standards Regulations shall have the meaning so assigned and, unless the context otherwise indicates –

“biodiesel” means a biodegradable and renewable fuel or fuel component for diesel engines derived from natural oils extracted from vegetable matter, and that conforms to South African National Standard, Automotive Biodiesel, SANS 1935;

“bioethanol” means biodegradable ethanol derived from natural sugars extracted from vegetable matter, and that conforms to South African National Standard, SANS 1164;

“biofuel blend” means a mixture of two or more compatible petroleum products, where one of the petroleum products is a biofuel, having different properties in order to produce an intermediate or final petroleum product with desired attributes;

“blending facility” means a licensed facility where biofuel blending is performed, including a manufacturing facility or storage facility;

“diesel” means any permitted grade of diesel that has no biodiesel added to it;

“petrol” means, any permitted grade of petrol that has no bioethanol added to it;

“Regulated price” means the transfer price of biodiesel or bioethanol, as regulated by the Minister of Energy, charged by a manufacturer of biodiesel or bioethanol to a licensee;

“Specifications and Standards Regulations” means Regulations regarding Petroleum Products Specifications and Standards promulgated in Government Notice No. R627 of 23 June 2006; and

“the Act” means the Petroleum Products Act, 1977 (Act No. 120 of 1977).

Scope of regulation

2. These Regulations set out the requirements and conditions for the mandatory blending of bioethanol and biodiesel with petrol and diesel respectively that may be sold in the Republic.

Conditions of mandatory blending

3. (1) A licensee may only purchase biofuels from a licensed manufacturer of biofuels in the Republic.

(2) A licensed manufacturer of biodiesel or bioethanol must supply the said biofuels to a blending facility for blending with diesel or petrol by a licensee at the regulated price.

(3) A licensee must pay the regulated price for the bioethanol or biodiesel sold by a manufacturer of bioethanol or biodiesel.

(4) A licensee must blend bio-ethanol or biodiesel with petrol or diesel at its blending facility such that the final biofuel blend complies with the Specifications and Standards Regulations.

(5) All petrol and diesel supplied to a blending facility should allow for the blending of biofuels such that the allowed minimum concentration of the biofuel in the final bio-fuel blend is complied with. The minimum concentration to be allowed for-

(a) biodiesel blending, is 5% v/v; and

(b) bioethanol blending, is 2% v/v;

(6) A licensee must purchase all bioethanol or biodiesel sold by a biofuel manufacturer as contemplated in these Regulations provided that the volume of the biofuel can be blended, within the allowable parameters set out in subregulation (5), with the volumes of petrol or diesel available from the licensee.

Prohibition of certain activities

4. (1) A licensee is prohibited from refusing to buy bioethanol or biodiesel without providing evidence that it does not have sufficient volumes of petrol or diesel to accommodate the volume of bioethanol or biodiesel being sold.

(2) In respect of subregulation (1), all petrol or diesel produced by a licensee shall be considered to be destined for a blending facility and therefore in compliance with subregulations 3 (4) and (5).

(3) All prohibitions applicable in terms of the Fuel Specifications and Standards Regulations also apply in respect of these Regulations.

Records to be kept by licensees

5 (1) In addition to the provisions of the Specifications and Standards Regulations and any other law-

(a) A manufacturer of bioethanol and biodiesel must submit to the Department of Energy, as at the end of each calendar month, the-

- (i) volumes of bioethanol or biodiesel manufactured;
 - (ii) volumes of bioethanol or biodiesel sold to licensees; and
 - (iii) names of licensees to which the biodiesel or bioethanol was sold and corresponding volumes thereto.
- (b) A licensee must submit to the Department of Energy, as at the end of each calendar month, the-
- (i) volumes of bioethanol and biodiesel purchased from licensed manufacturers of bioethanol and biodiesel;
 - (ii) volumes of bioethanol and biodiesel blended into petrol and diesel respectively; and
 - (iii) names of manufacturers of biodiesel or bioethanol from which the biodiesel or bio-ethanol was bought and corresponding volumes thereto.
- (2) A manufacturer of biofuels and a licensee must keep the records contemplated in subregulation (1) for a period of not less than five years.

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