



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Regulation Gazette

No. 9808

Regulasiekoerant

Vol. 566

**Pretoria, 23 August
Augustus 2012**

No. 35623

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GOVERNMENT NOTICE

DEPARTMENT OF ENERGY

No. R. 671

23 August 2012

PETROLEUM PRODUCTS ACT, 1977

REGULATIONS REGARDING THE MANDATORY BLENDING OF BIOFUELS WITH PETROL AND DIESEL

The Minister of Energy has under section 12C(1)(a)(v)(aa), (aA), (b), (e) and (f) of the Petroleum Products Act, 1977 (Act No. 120 of 1977), made the Regulations in the Schedule.

SCHEDULE

Definitions

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

“bio-ethanol” means ethanol derived from vegetable matter which conforms to the South African National Standard, Standard specification for denatured fuel ethanol for blending with gasolines for use as automotive spark ignition engine fuel, SANS 465;

“biodiesel” means a renewable fuel or fuel component derived from vegetable or animal matter which conforms to the South African National Standard, Automotive Biodiesel – Fatty acid methyl esters (FAME) for diesel engines – Requirements and test methods, SANS 1935, and the South African National Standard, Biodiesel Production – Quality management system – Producer requirements, SANS 833;

“biofuel” means biodiesel or bio-ethanol;

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

“blending facility” means a facility where biofuel blending is performed under a manufacturing licence in terms of the Act;

“licensed petroleum manufacturer” means a person licensed to manufacture petroleum petrol and petroleum diesel in terms of the Act;

“licensed biofuels manufacturer” means a person licensed to manufacture biofuels in terms of the Act;

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

“petroleum petrol” means, any permitted grade of petrol that has no bio-ethanol added to it;

“regulated price” means the transfer price of biodiesel or bio-ethanol, as regulated by the Minister of Energy, charged by a licensed bio-fuels manufacturer to a licensed petroleum manufacturer;

“South African National Standard” means a South African National Standard approved by the South African Bureau of Standards in terms of the Standards Act, 2008 (Act No. 8 of 2008);

“Specifications and Standards Regulations, 2006” means the Regulations regarding Petroleum Products Specifications and Standards, 2006, promulgated by Government Notice No. R. 627 of 23 June 2006; and

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

Scope of regulation

2. These Regulations regulate the mandatory blending of bio-ethanol or biodiesel with petroleum petrol or petroleum diesel, respectively, to produce a biofuel blend that may be sold in the Republic.

Purchase and mandatory blending of biofuels

3. (1) A licensed petroleum manufacturer must only purchase biofuels from a licensed biofuels manufacturer.

(2) When a licensed biofuels manufacturer supplies biofuel to a blending facility of a licensed petroleum manufacturer, that biofuel must be accompanied by a quality assurance certificate.

(3) A licensed petroleum manufacturer must pay the regulated price for the biofuels sold to it by a licensed biofuels manufacturer.

(4) A licensed petroleum manufacturer must—

- (a) blend bio-ethanol with petroleum petrol at its blending facility to the effect that the final blended product at the fuel pump complies with the South African National Standard, Unleaded petrol, SANS 1598; and
- (b) blend biodiesel with petroleum diesel at its blending facility to the effect that the final blended product at the fuel pump complies fully with the South African National Standard, Automotive diesel fuel, SANS 342.

(5) All petroleum petrol and petroleum diesel supplied to a blending facility must allow for the blending of biofuels to the effect that the allowed minimum concentration of the biofuel in the final biofuel blend complies with—

- (a) the minimum concentration to be allowed for biodiesel blending, namely 5% v/v; and
- (b) the permitted range for bio-ethanol blending, namely from 2% v/v up to 10% v/v.

(6) A licensed petroleum manufacturer must purchase all bio-ethanol or biodiesel offered for sale by a licensed 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 petroleum petrol or petroleum diesel available from the licensed petroleum manufacturers.

Prohibitions

4. (1) A licensed petroleum manufacturer may not refuse to purchase bio-ethanol or biodiesel unless it is able to provide proof that it does not have sufficient volumes of petroleum petrol or petroleum diesel to accommodate the volume of bio-ethanol or biodiesel being sold.

(2) For purposes of subregulation (1), all petroleum petrol or petroleum diesel produced by a licensed petroleum manufacturer is considered to be destined for a blending facility.

Records to be kept by licensees

5. (1) In addition to the provisions of the Specifications and Standards Regulations, 2006, and any other applicable law—

- (a) a licensed biofuels manufacturer must submit to the Controller of Petroleum Products, within seven days of the end of each calendar month, the-
 - (i) volumes of bio-ethanol or biodiesel manufactured;
 - (ii) volumes of bio-ethanol or biodiesel sold to licensed petroleum manufacturers; and
 - (iii) names of licensed petroleum manufacturers to which the biodiesel or bio-ethanol was sold and the volumes sold to each of them; and
- (b) a licensed petroleum manufacturer must submit to the Controller of Petroleum Products, within seven days of the end of each calendar month, the-
 - (i) volumes of bio-ethanol and biodiesel purchased from licensed biofuels manufacturers;

- (ii) volumes of bio-ethanol and biodiesel blended with petroleum petrol and petroleum diesel respectively; and
- (iii) names of licensed biofuels manufacturers from which the bio-ethanol or biodiesel was purchased and the volumes purchased from each of them.

(2) A licensed biofuels manufacturer and a licensed petroleum manufacturer must keep the records contemplated in subregulation (1) for a period of not less than five years.

Short title and commencement

6. These Regulations are called the Regulations regarding the Mandatory Blending of Biofuels with Petrol and Diesel, 2012 and shall come into operation on a date to be determined by the Minister of Energy by notice in the *Gazette*.

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Advertisements: Tel: (012) 334-4673, 334-4674, 334-4504
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