



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Media Statement

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Draft Regulations on Mandatory of Biofuels with Petrol or Diesel

Pretoria 16 September 2011 – The Department of Energy has today published the Draft Regulations on Mandatory Blending of Biofuels with Petrol or Diesel in the Government Gazette for public comment.

In publishing these Draft Regulation the Department of Energy seeks to:

- Send out a clear signal to investors/potential investors regarding securing the off-take of biofuels by oil companies;
- promote/enable the blending of locally manufactured biofuels into the existing petrol or diesel pool to supplement local fuels supply pursuant to its strategic objectives in this regard; and
- ensure that biofuels manufacturers receive a fair price for biofuels supplied to blending facilities.

The Draft Regulations deal with three issues, namely:

- The conditions of mandatory blending;
- the prohibition of certain activities; and
- record-keeping for fuel pricing administration purposes.

The Mandatory Biofuels Blending Regulations will be but one of the pillars of the biofuels regulatory framework being developed by the Department of Energy in

conjunction with other national departments and organs of state as informed by the Biofuels Industrial Strategy.

The Department of Energy has also embarked on two biofuels projects which are key to the development of the pricing and financial support mechanism for biofuels; namely:

- The Break-even Price of Biodiesel and Bioethanol; and
- the Determination of the Bioethanol Blending Value.

Technical work regarding the Break-even Price Project has been completed. The bioethanol economic model only needs to be adjusted with the bio-ethanol blending value once the Blending Value Determination Project has been completed at the end of September 2011. The Department of Energy will consult stakeholders on the outcomes of these projects as part of the development of the biofuels regulatory framework.

Interested parties are urged by the Department of Energy to submit their comments on the Draft Regulations to assist the department to develop and implement a biofuels regulatory framework for the benefit of South Africa.

It is requested that comments 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 / 4035 / 4036.

Please note that the Draft Regulations can also be obtained from the Department of Energy's website, www.energy.gov.za.

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For media Inquiries:

Ms Thandiwe Maimane – 083 645 7837

Ndivhuwo Khangale – 082 465 6090