

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

NO. R. 211

12 March 2021

PETROLEUM PRODUCTS ACT, 1977

PUBLISHED FOR COMMENTS: DRAFT AMENDMENT REGULATIONS REGARDING THE MANDATORY BLENDING OF BIOFUELS WITH PETROL AND DIESEL

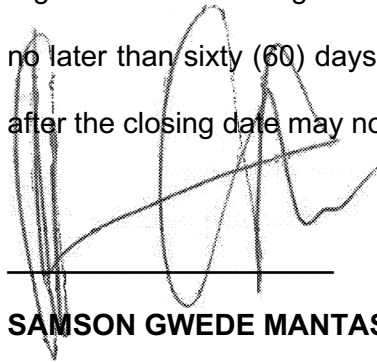
I, Samson Gwede Mantashe, the Minister of Minerals Resources and Energy, under sections 12C(1)(a)(v)(aa), (aB), (b) (e) and (f) of the Petroleum Products Act, 1977 (Act 120 of 1977), intend to review the Regulations Regarding the Mandatory Blending of Biofuels with Petrol and Diesel, published by Government Notice R. 671 in GG 35623 of 23 August 2012, and publish the draft Amendment Regulations Regarding the Mandatory Blending of Biofuels with Petrol and Diesel for public comments, as set out in the Schedule.

The draft Regulations are hereby published for public comments in terms of sections 2(1)(a) and 12C(1)(a)(v)(aa), (aB), (b) (e) and (f) of the Petroleum Products Act, 1977, and interested persons are invited to submit written comments on the proposed Regulations, within sixty (60) days, to the Director General, for the attention of Vania Mahotas, by –

- (a) Post to: Department of Mineral Resources and Energy
Private Bag X96
Pretoria
0001
- (b) Hand delivery: Matimba House
192 Visagie St
Corner Paul Kruger & Visagie Streets
Pretoria
0001; or

- (c) Email: vania.mahotas@dmre.gov.za / edzisani.ndiitwani@dmre.gov.za

Kindly provide the name, address, telephone number and email address of the person or organisation submitting the comments. Comments on the draft Regulations must be submitted no later than sixty (60) days from the date of publication of this Notice. Comments received after the closing date may not be considered.

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

SAMSON GWEDE MANTASHE

MINISTER OF MINERAL RESOURCES AND ENERGY

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

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 indicates otherwise-

["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;]

"bio-ethanol" means ethanol derived from plant material (including crops, agricultural and forestry residues), animal residues, industrial and domestic/municipal waste as well as other organic and/or renewable resources. The ethanol must conform to the relevant South African National Standard;

["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;]

"biodiesel" means a renewable fuel or fuel component derived from plant material (including crops, agricultural and forestry residues), animal residues, industrial and domestic/municipal waste as well as other organic and/or renewable resources such as algae. This renewable fuel or fuel component must conform to the relevant South African National Standard;

"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" or "transfer price" of biodiesel or bio-ethanol is the price charged by a licensed biofuels manufacturer to a licensed petroleum manufacturer. The Minister of Energy hereby determines that the regulated price shall be the Basic Fuel Price for Unleaded Petrol 95 plus the zone differential;]

"regulated price" means the transfer price of biodiesel or bio-ethanol, as regulated by the Minister of Energy, charged by a licensed biofuels manufacturer to a licensed petroleum products manufacturer;

"South African National Standard" or "SANS" 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 products manufacturer must pay the regulated price for the biofuels sold to it by a licensed biofuels manufacturer.
 - (4) A licensed petroleum products 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 relevant 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 relevant 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 bioethanol 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 Amendment Regulations regarding the Mandatory Blending of Biofuels with Petrol and Diesel, 2021 and shall come into operation upon publication.

PETROLEUM PRODUCTS ACT, 1977

**PUBLISHED FOR COMMENTS: DRAFT REGULATIONS REGARDING PETROLEUM
PRODUCTS SPECIFICATIONS AND STANDARDS**

I, Samson Gwede Mantashe, the Minister of Minerals Resources and Energy, under sections 2(1)(a) and 12C(1)(a)(vi), (e) and (f) of the Petroleum Products Act, 1977 (Act 120 of 1977), intend to review the Regulations Regarding Petroleum Products Specifications and Standards, published by Government Notice R. 627 in GG 28958 of 23 June 2006, and publish the draft Regulations Regarding Petroleum Products Specifications and Standards for public comments, as set out in the Schedule.

The draft Regulations are hereby published for public comments in terms of sections 2(1)(a) and 12C(1)(a)(vi), (e) and (f) of the Petroleum Products Act, 1977, and interested persons are invited to submit written comments on the proposed Regulations, within sixty (60) days, to the Director General, for the attention of Vania Mahotas, by –

(a) Post to: Department of Mineral Resources and Energy
Private Bag X96
Pretoria
0001

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(c) Email: vania.mahotas@dmre.gov.za /edzisani.ndiitwani@dmre.gov.za

Kindly provide the name, address, telephone number and email address of the person or organisation submitting the comments. Comments on the draft Regulations must be submitted no later than sixty (60) days from the date of publication of this Notice. Comments received after the closing date may not be considered.



SAMSON GWEDE MANTASHE

MINISTER OF MINERAL RESOURCES AND ENERGY

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

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 indicates otherwise-

“additive” means a substance intentionally added to a petroleum product in trace or small quantities in order to improve one or more of the petroleum product's performance or storage stability, its performance in an engine, or a reduction of the emissions from an engine powered by that petroleum product;

“aromatics” means a group of hydrocarbons that contain a benzene ring in their molecular structure;

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

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

“bowser” means an apparatus erected on a site for the purposes of dispensing petrol or diesel into a motor vehicle;

“Controller” means the Controller of Petroleum Products as contemplated in section 3(1) of the Act;

“end-consumer” means a person acquiring a petroleum product for own consumption;

“grade” means the classification of a petroleum product according to its chemical composition and characteristics such as its RON, sulphur content, additive content and the quantity or proportion thereof;

“label” means a marking displayed on a bowser at a site that specifies the grade of petrol or diesel dispensed from that bowser;

“licensee” means a person to whom the Controller has issued a manufacturing, wholesale or retail licence in accordance with the provisions of the Act;

“low-sulphur grade diesel” means diesel with a sulphur content of not more than 10 mg/kg;

"LRP" or "lead replacement petrol" means unleaded petrol containing metal based additives, other than lead with a RON of 93 or 95;

"metal-containing unleaded petrol" means petrol containing metal-based additives, other than lead with a RON of 93 or 95;

"metal-free unleaded petrol" means petrol that does not contain any metal-based additives, with a RON of 93 or 95;

"petroleum products" means, for the purpose of these Regulations, petrol, diesel and biodiesel;

"RON" means research octane number which is a measure indicating the capacity of petrol to prevent engine knocking at low speed;

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

"the Act" means the Petroleum Products Act, 1977 (Act 120 of 1977);

"unleaded petrol" or "ULP" means petrol that does not contain lead based additives with a RON of 93 or 95; and

"v/v" means volume by volume.

Scope of regulations

2. These Regulations set out specifications and standards for petroleum products that may be sold for consumption in the Republic.

Permitted petrol grades

3. (1) Only permitted grades of petrol may be sold to an end-consumer in the Republic, which grades are-

- (a) metal-free unleaded petrol with a minimum RON of 93;
- (b) metal-free unleaded petrol with a minimum RON of 95;
- (c) lead replacement petrol with a minimum RON of 93;
- (d) lead replacement petrol with a minimum RON of 95;
- (e) metal-containing unleaded petrol with a minimum RON of 93;
- (f) metal-containing unleaded petrol with a minimum RON of 95;
- (g) petrol grades with a RON of more than 95: Provided that-
 - (i) only licensed wholesalers may sell or provide such petrol grades;
 - (ii) such petrol grades are only sold to-
 - (aa) persons holding racing licences issued or recognised by Motorsport South Africa; or
 - (bb) manufacturers of motor vehicles or engines where such petrol grades are used for testing or for first-fill purposes; and
 - (iii) such petrol grades are not stored on, sold or provided from a site; and

(h) petrol with lead additives for use in aeroplanes with internal combustion engines: Provided that-

- (i) only licensed wholesalers may sell or provide such petrol;
- (ii) such petrol is only sold to licensed owners or operators of aeroplanes with internal combustion engines for their own consumption; and
- (iii) such petrol is not stored on, sold or provided from a site.

(2) Permitted metal-free unleaded petrol grades must conform to the South African National Standard, SANS 1598, and-

- (a) the minimum RON rating must be 93 or 95, as the case may be;
- (b) the maximum permitted traces of lead as contamination must not exceed 5 milligrams per litre;
- (c) the maximum permitted content of aromatics is 35% v/v;
- (d) the maximum permitted benzene content is 1% v/v;
- (e) the maximum permitted olefins content is 18% v/v; and
- (f) the maximum permitted sulphur content is 10 mg/kg.

(3) Metal-based additives, must only be used in metal-containing unleaded petrol.

(4) Permitted metal-containing unleaded petrol must conform to the South African National Standard, Unleaded petrol, SANS 1598, and-

- (a) the minimum RON rating must be 93 or 95, as the case may be;
- (b) the maximum permitted traces of lead as contamination must not exceed 5 milligrams per litre;
- (c) manganese-based additives must not exceed 18 milligrams per litre;

- (d) potassium-based additives must not exceed 10 milligrams per litre;
- (e) phosphorous-based additives must not exceed 14 milligrams per litre;
- (f) only one of the additives referred to in paragraphs (c), (d) and (e) may be added to such petrol;
- (g) the maximum permitted content of aromatics is 35% v/v;
- (h) the maximum permitted benzene content is 1% v/v;
- (i) the maximum permitted olefins content is 18% v/v; and
- (j) the maximum permitted sulphur content is 10 mg/kg.

Sale of petrol

4. Permitted petrol grades may be sold throughout the Republic.

Permitted diesel grades

5. (1 Diesel grades that may be sold to an end consumer in the Republic must-
 - (a) be low-sulphur grade diesel which must conform to South African National Standard, SANS 342, and must conform with the following standards: -
 - (i) the sulphur content of such diesel may not exceed 10 mg/kg; and
 - (ii) not more than 5% v/v biodiesel is blended;
 - (b) be low-sulphur grade B10 diesel, which must conform to South African National Standard, SANS 342, except in respect of maximum biodiesel content, and must conform to the following standards:-
 - (i) the sulphur content of such diesel may not exceed 10 mg/kg; and
 - (ii) such diesel may be blended with not more than 5% v/v but not more than 15% v/v biodiesel;

(c) be low-sulphur grade B20 diesel, which must conform to South African National Standard, SANS 342, except in respect of maximum biodiesel content, and must conform to the following standards:-

(i) the sulphur content of such diesel may not exceed 10 mg/kg; and

(ii) such diesel may be blended with more than 15% v/v but not more than 25% v/v biodiesel;

(d) be low-sulphur grade B30 diesel, which must conform to South African National Standard, SANS 342, except in respect of maximum biodiesel content, and must conform to the following standards:-

(i) the sulphur content of such diesel may not exceed 10 mg/kg; and

(ii) such diesel may be blended with more than 25% v/v but not more than 35% v/v biodiesel;

(e) be low-sulphur grade B40 diesel, which must conform to South African National Standard, SANS 342, except in respect of maximum biodiesel content, and must conform with the following standards:

(i) The sulphur content of such diesel may not exceed 10 mg/kg; and

(ii) Such diesel may be blended with more than 35% v/v but not more than 45% v/v biodiesel;

(f) be low-sulphur grade B50 diesel, which must conform to South African National Standard, SANS 342, except in respect of maximum biodiesel content, and must conform to the following standards:-

(i) the sulphur content of such diesel may not exceed 10 mg/kg; and

(ii) such diesel may be blended with more than 45% v/v but not more than 55% v/v biodiesel; and

(g) be biodiesel B100 which must be 100% biodiesel.

(2)(a) Subject to paragraph (b), diesel referred to in subregulation (1) must conform to the South African National Standard, SANS 342;

(b) In the case where the maximum biodiesel content specified in the South African National Standard, SANS 342 differs from that specified in subregulation (1), the maximum biodiesel content specified in subregulation (1) must apply.

Prohibition of certain activities

6. (1) The sale of petroleum products for use in the Republic that do not comply with the provisions of these Regulations is prohibited.

(2) A licensed manufacturer may not manufacture, for consumption in the Republic,-

(a) any petrol grade that does not comply with these Regulations; and

(b) any diesel grade that does not comply with these Regulations.

(3) Offering for sale, selling or providing one grade of petrol or diesel as another grade of petrol or diesel, as the case may be, is prohibited.

(4) Offering for sale, selling or providing –

(a) any blend or mixture of different petroleum products; or

(b) any blend or mixture of different petroleum products with other substances

that results in the non-payment of any tax, duty or levy due is prohibited.

(5) Offering for sale, selling or providing metal-free unleaded petrol or metal-containing unleaded petrol which contains lead additives, is prohibited.

(6) A licensed manufacturer or wholesaler may not import petroleum products, for consumption in the Republic, that do not comply with these Regulations.

Inspection and testing of petroleum products

7. An inspector may, in respect of an offence under the Act,-

- (a) enter and search without a warrant any premises, any vehicle, vessel or aircraft and any receptacle of whatever nature;
- (b) seize, without a warrant, a whole batch or a sample of any petroleum product for purposes of monitoring or verifying compliance with the provisions of these Regulations;
- (c) from time to time, for purposes of monitoring compliance with these Regulations, sample and test petroleum products in accordance with the methods specified in SANS 1598, SANS 342 or SANS 1935, as appropriate;
- (d) appoint suitably qualified experts to test petroleum products;
- (e) demand of any person who owns, offers for sale, sells or supplies petroleum products governed by these Regulations, any relevant documentation in respect of such petroleum products and such person must, if so instructed, provide the inspector with such documentation; and
- (f) demand of any person who imports petroleum products governed by these Regulations, any relevant documentation associated with the importation and such person must, if so instructed, provide the inspector with such documentation.

Labelling specification for petroleum products

8. (1) A label setting out the fuel specifications of the petroleum product concerned must be displayed on a bowser at a site.

(2) A label contemplated in subregulation (1) must –

(a) have lettering and numbering in a standard and solid font type Arial of a size not smaller than size 55 point reading from left to right, when horizontal, regardless of the orientation of the label; and

(b) be alongside the nozzle and on the same side of the bowser as the information indicating the price of the petroleum product displayed on that bowser.

(3) The petrol or diesel grade dispensed from a bowser must be the petrol or diesel grade specified in the label displayed on that bowser.

(4) The label on the bowser dispensing-

(a) metal-free unleaded petrol grade must be labelled with white lettering and numbering on a green background and must, as appropriate for the grade of petrol dispensed on that bowser, only contain the words and numbers-

(i) “95 Metal-Free ULP” for petrol grade RON 95; or

(ii) “93 Metal-Free ULP” for petrol grade RON 93;

as the case may be;

(b) metal-containing unleaded petrol grade must be labelled with white lettering and numbering on an orange background, and must, as appropriate for the grade of petrol dispensed from that bowser, only contain the words and numbers-

(i) “95 Metal-Containing ULP” for petrol grade with an RON 95; or

(ii) “93 Metal-Containing ULP” for petrol grade with a RON of 93;

as the case may be;

- (c) lead replacement petrol grade must be labelled with white lettering and numbering on a orange background, and must, as appropriate for the grade of petrol dispensed from that bowser, only contain the words and numbers-

(i) "95 LRP" for petrol grade RON 95; or

(ii) "93 LRP" for petrol grade RON 93;

as the case may be; and

- (d) diesel must be labelled with white lettering and numbering on a black background, and must, as appropriate for the grade of diesel dispensed from that bowser, except in the case of diesel blended with more than 5% biodiesel contemplated in subregulation (5), contain only the words -

(i) "Low-Sulphur diesel 10ppm" for low sulphur grade diesel;

or

(ii) "Biodiesel B100" for 100% biodiesel

as the case may be.

(5) Diesel blended with more than 5% but less than 100% biodiesel must be labelled with white lettering and numbering on a black background and, as appropriate for the grade of diesel dispensed from that bowser, must contain the additional words and numbers "BX", where "X" will be 10, 20, 30, 40 or 50, as the case may be.

Records

9. (1) A licensee must keep records of purchase and sale transactions of petroleum products including-

(a) grades of petroleum product purchased or sold, as the case may be;

(b) quantities of petroleum product purchased or sold, as the case may be;

(c) documentation by which the physical receipt of a petroleum product can be linked to the order, purchase and payment for that batch of petroleum product;

(e) results of any tests performed on a batch of a petroleum product, including the details of that batch and the date of each test;

(f) records by which the petroleum product tested can be traced back to its delivery docket; and

(g) port of entry, in the case of a batch of imported petroleum product.

(2) The records referred to in subregulation (1) must be-

(a) retained for a period of 5 years;

(b) kept at the address registered with the Controller; and

(c) disclosed to an inspector on request.

Repeal

10. The Regulations Regarding Petroleum Products and Specifications and Standards published under Government Notice No. R. 627 in of 23 June 2006 is hereby repealed.

Commencement

11. These regulations shall come into effect 72 months from the date of promulgation.

DRAFT FOR INTERNAL COMMENTS