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## GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

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### DEPARTMENT OF MINERAL RESOURCES AND ENERGY

NO. R. 281

30 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](mailto:vania.mahotas@dmre.gov.za) / [edzisani.ndiitwani@dmre.gov.za](mailto: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.

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**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.

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## 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.