Draft Order laid before Parliament under sections 124(5) and 192(3) of the Energy Act 2004, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2009 No. 000

TRANSPORT

ENERGY

SUSTAINABLE AND RENEWABLE FUELS

The Renewable Transport Fuel Obligations (Amendment) Order 2009

Made - - - -	*2009*
Coming into force - -	*15th April 2009*

The Secretary of State makes the following Order in exercise of the powers conferred by sections 124, 126(1) and (2), 132(1) and 192(4)(c) of the Energy Act 2004(**a**).

A draft of this Order was laid before Parliament in accordance with sections 124(5) and 192(3) of that Act and approved by a resolution of each House of Parliament.

In accordance with section 124(4) of that Act, before making this Order the Secretary of State has consulted with such persons appearing to the Secretary of State to represent persons whose interests will be affected by the Order, and such other persons, as the Secretary of State considers appropriate.

Citation and commencement

1. This Order may be cited as the Renewable Transport Fuel Obligations (Amendment) Order 2009 and comes into force on 15th April 2009.

Preliminary

2. The Renewable Transport Fuel Obligations Order 2007(**b**) shall be amended as follows.

Amendment of article 3 (definitions of fuels and fuel products)

3.—(1) Article 3 shall be amended as follows.

(2) After paragraph (2) insert—

(**a**) 2004 c.20.
(**b**) S.I.2007/3072, to which there is an amendment which is not relevant to this Order.

"(2A) "Biobutanol" means a liquid consisting of butanol produced wholly from biomass and capable of being used for the same purposes as light oil.".

(3) After paragraph (5) insert—

"(5A) "Light oil" has the same meaning as in the 1979 Act(**a**).".

(4) Omit paragraph (9).

(5) In paragraph (10), for sub-paragraph (b) substitute—

"(b) within paragraph (13), and".

(6) After paragraph (10) insert—

"(10A) "Renewable diesel" means heavy oil—

(a) which is produced wholly from biomass or waste cooking oil or a combination of biomass and waste cooking oil,

(b) the ester content of which does not exceed 0.0005% by weight or is nil, and

(c) the sulphur content of which does not exceed 0.005% by weight or is nil.".

(7) In paragraph (12), after "biodiesel" insert ", renewable diesel".

(8) After paragraph (12) insert—

"(13) Hydrocarbon oil is within this paragraph if it is—

(a) in the case of hydrocarbon oil supplied at or for delivery to places in the United Kingdom during the obligation period beginning on 15th April 2008, chargeable to the duty of excise on hydrocarbon oil under section 6 of the 1979 Act(**b**), or

(b) in the case of hydrocarbon oil supplied at or for delivery to places in the United Kingdom during the obligation period beginning on 15th April 2009 or any subsequent obligation period, of one of the descriptions set out in paragraph (14).

(14) For the purposes of paragraph (13)(b) the descriptions are—

(a) hydrocarbon oil which is chargeable to the duty of excise on hydrocarbon oil under section 6 of the 1979 Act, other than the renewable diesel component in hydrocarbon oil comprising a mixture of heavy oil which is not renewable diesel and heavy oil which is renewable diesel;

(b) the heavy oil component in bioblend, where a duty of excise is chargeable in relation to that bioblend under the 1979 Act(**c**), other than any renewable diesel component which is included in the heavy oil component; or

(c) the hydrocarbon oil component in bioethanol blend, where a duty of excise is chargeable in relation to that bioethanol blend under the 1979 Act(**d**).".

Amendment of article 4 (the renewable transport fuel obligation)

4.—(1) Article 4 shall be amended as follows.

(2) In paragraph (4), for sub-paragraph (c) substitute—

"(c) in relation to the volume of such oil calculated in accordance with sub-paragraphs (a) and (b)—

(i) for the obligation period beginning on 15th April 2008, the specified amount is an amount equal to 2.5641% of that volume;

(**a**) The expression "light oil" is defined in section 1(3) of the Hydrocarbon Oil Duties Act 1979 (c.5).

(**b**) Section 6 of the Hydrocarbon Oil Duties Act 1979 was amended by: the Finance Act 1981 (c.35), section 4(1); the Finance Act 1997 (c.16), section 7(2) and (3); and the Finance Act 2008 (c.9), sections 13(3), 15(2), and 16(1) and (3), and Schedule 6, Part 1, paragraph 4. There are also other amendments to section 6 which are not yet in force.

(**c**) The duty of excise on bioblend is chargeable under section 6AB of the 1979 Act, as inserted by the Finance Act 2002 (c.23), section 5(4), and amended by the Finance Act 2008, section 13(4) and Schedule 5, paragraph 5. There are also other amendments to section 6AB which are not yet in force.

(**d**) The duty of excise on bioethanol blend is chargeable under section 6AE of the 1979 Act, as inserted by the Finance Act 2004 (c.12), section 10(3).

(ii) for the obligation period beginning on 15th April 2009, the specified amount is an amount equal to 3.3592% of that volume;

(iii) for the obligation period beginning on 15th April 2010, the specified amount is an amount equal to 3.6269% of that volume;

(iv) for the obligation period beginning on 15th April 2011, the specified amount is an amount equal to 4.1667% of that volume;

(v) for the obligation period beginning on 15th April 2012, the specified amount is an amount equal to 4.7120% of that volume; and

(vi) for each subsequent obligation period, the specified amount is an amount equal to 5.2632% of that volume.".

Amendment of article 5 (determinations of amounts of transport fuel)

5.—(1) Article 5 shall be amended as follows.

(2) In paragraph (3)—

(a) omit sub-paragraph (c);

(b) after sub-paragraph (e) omit "or"; and

(c) after sub-paragraph (f) insert—

"(g) biobutanol in relation to which a duty of excise is chargeable under the 1979 Act(**a**) and which is supplied at or for delivery to places in the United Kingdom on or after 15th April 2009;

(h) renewable diesel in relation to which a duty of excise is chargeable under the 1979 Act(**b**) and which is supplied at or for delivery to places in the United Kingdom on or after 15th April 2009;

(i) the renewable diesel component in bioblend which contains renewable diesel, being bioblend in relation to which a duty of excise is chargeable under the 1979 Act and which is supplied at or for delivery to places in the United Kingdom on or after 15th April 2009; or

(j) the renewable diesel component in hydrocarbon oil, being hydrocarbon oil—

(i) comprising a mixture of heavy oil which is not renewable diesel and heavy oil which is renewable diesel,

(ii) in relation to which a duty of excise is chargeable under the 1979 Act(**c**), and

(iii) which is supplied at or for delivery to places in the United Kingdom on or after 15th April 2009.".

(3) In paragraph (6) omit "or (c)".

Signed by authority of the Secretary of State for Transport

Name
Minister of State
Department for Transport

Date

(**a**) The duty of excise on biobutanol is chargeable under section 6A of the Hydrocarbon Oil Duties Act 1979, as inserted by section 11(1) of the Finance Act 1993 (c.34), and amended by the Finance Act 2000 (c.17), section 11(1), the Finance Act 2002 (c.23), section 7(1), and the Finance Act 2004 (c.12), section 10(4) and section 12(1).

(**b**) The duty of excise on renewable diesel is chargeable under section 6 of the Hydrocarbon Oil Duties Act 1979.

(**c**) The duty of excise on such a mixture is chargeable under section 6 of the Hydrocarbon Oil Duties Act 1979.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Renewable Transport Fuel Obligations Order 2007.

The main amendments are as follows.

Article 3 amends the definition of relevant hydrocarbon oil to include hydrocarbon oil (other than renewable diesel produced wholly from biomass) when it is blended with biodiesel or bioethanol. Relevant hydrocarbon oil is taken into account for the purposes of imposing the renewable transport fuel obligation and of calculating the amount of renewable transport fuel to be supplied under the obligation.

Article 4 changes the level of the renewable transport fuel obligation by slowing the rate of increase (from 2.5% to 5% of total fuel supplied) in the amount of renewable transport fuel for which evidence of supply in the United Kingdom, in the form of RTF certificates, is required.

Article 5 adds biobutanol, and renewable diesel produced wholly from biomass, to the list of renewable transport fuels eligible for RTF certificates; it also deletes one description of fuel from that list as a consequence of changes to the duty provisions in the Hydrocarbon Oil Duties Act 1979.

An Impact Assessment has been prepared and copies can be obtained from the Department for Transport, Great Minster House, 76 Marsham Street, London SW1P 4DR. A copy has been placed in the Library of each House of Parliament. A copy may also be accessed on the OPSI website www.opsi.gov.uk.

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