EXPLANATORY MEMORANDUM TO

THE FUEL-TESTING PILOT PROJECTS (BIOGAS PROJECT) REGULATIONS 2006

2006 No. 1348

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

2.1 The instrument makes provision allowing relief from excise duty charged in respect of an experimental fuel biogas (consisting in a carbon neutral gas of 96% methane (CH4) and not less than 3.75% nitrogen and containing minor trace elements) used for the purposes of a fuel –testing project approved by Her Majesty's Commissioners for Revenue and Customs to evaluate the emission benefits of gas obtained from landfill sites as a fuel.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 The regulations are made under the powers conferred by section 20AB (1), (3), (5) of the Hydrocarbon Oil Duties Act 1979.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Under the Government's Green Fuel challenge Her Majesty's Commissioners for Revenue and Customs are, pursuant to the powers of section 20AB of the Hydrocarbon Oil Duties Act 1979, permitted to approve for an experimental period, subject to their directions and such conditions as they may impose, fuel testing projects for purposes of the development of experimental fuel and to specify by

statutory instrument the period and form of relief from excise duty accorded to the fuel under that project.

7.2 The current instrument specifies the period and form of relief from excise duty in relation to an approved project to be undertaken between the 10th June 2006 and the 28th February 2011 by Enertech (1983) Limited of Wentworth View, 1A Barnsley Road, Ackworth, West Yorkshire evaluating and providing data in relation to the emission benefits of gas obtained from landfill sites as a fuel in road vehicles.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument, as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is that H M Revenue and Customs staff, as part of the assurance of the business affected will monitor compliance with the regulations.

9. Contact

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