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## **ACE Paper 9/2009**

***For advice on 8 June 2009***

### **Introducing Regulatory Control on Motor Vehicle Biodiesel**

#### **PURPOSE**

This paper seeks Members' views on our proposal to introduce regulatory control on motor vehicle biodiesel.

#### **BACKGROUND**

2. Biodiesel is a renewable fuel manufactured from vegetable oils, animal fats, waste cooking oil, etc. Replacing fossil diesel with biodiesel can help reduce greenhouse gas emissions such as carbon dioxide and hence avert global warming.

3. Biodiesel can be used to power motor vehicles in pure form or in blends with motor vehicle diesel. Countries such as the European Union (EU) and the United States of America (USA) are promoting the use of biodiesel as motor vehicle fuel by various tax concessions. For the same purpose, we have a standing duty-free policy for motor vehicle biodiesel. To boost consumer confidence in the fuel and prevent excessive exhaust emissions due to poor biodiesel quality, it is a common practice to require motor vehicle biodiesel to follow certain international standards such as EN 14214.<sup>1</sup>

4. Not all diesel vehicles are compatible with biodiesel or its blends with motor vehicle diesel. Vehicle manufacturers generally accept the use of motor vehicle diesel containing up to 5% biodiesel to power their vehicles. However, a higher biodiesel content may cause incompatibility problems to certain vehicle models. Subject to the advice of vehicle manufacturers, the

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<sup>1</sup> EN 14214 is the European Standard that describes the minimum requirements for biodiesel and was approved by the European Committee for Standardization in 2003. We propose to adopt this as the pure motor vehicle diesel specification in Hong Kong.

incompatibility problems could be overcome by replacing certain engine components.

5. To enable drivers to decide on the use of biodiesel-containing motor vehicle diesel, EU and USA require labels to be posted at the selling points of such fuel if its biodiesel content exceeds 5%. The label will list the content of biodiesel. The United Kingdom also requires the label to alert drivers to the potential incompatibility problem mentioned in the preceding paragraph.

## **ENVIRONMENTAL BENEFITS**

6. Biodiesel is a form of renewable energy. The carbon dioxide emitted during its combustion will be absorbed via photosynthesis by plants producing the feedstock for making biodiesel. The wider use of biodiesel in lieu of fossil diesel, which is non-renewable, is therefore conducive to reducing greenhouse gas emissions and arresting global climate changes due to the rising greenhouse gas level.

7. In respect of the potential to improve roadside air quality, Euro V diesel and biodiesel are similar.

## **USE OF BIODIESEL IN HONG KONG**

8. At present, biodiesel is not a common motor vehicle fuel in Hong Kong. Apart from the standing duty-free policy for biodiesel, introducing regulatory control on biodiesel by mandating specifications of biodiesel in line with international standards and adopting labelling requirements could help promote its use by strengthening vehicle owners' confidence in the fuel.

## **PROPOSAL**

9. Making reference to overseas practices in regulating motor vehicle biodiesel and in line with the existing legislative framework in the Air Pollution Control (Motor Vehicle Fuel) Regulation (Cap. 311 sub. Leg. L) (the Regulation) in enforcing the specifications of motor vehicle fuels, we propose to amend the Regulation to provide for the following statutory control on motor vehicle biodiesel –

- (a) Motor vehicle biodiesel includes pure biodiesel and biodiesel blends that are blended from pure biodiesel and motor vehicle diesel and their respective specifications are -

- (i) pure biodiesel that is supplied or sold for motor vehicle use has to comply with EN 14214; and
  - (ii) biodiesel blends that are supplied or sold for motor vehicle use must be blended from pure biodiesel meeting EN 14214 and motor vehicle diesel as stipulated in Schedule 1 of the Regulation.
- (b) Labelling requirements -
  - (i) a label (sample given at **Annex**) is required for selling the motor vehicle biodiesel with biodiesel content over 5%; and
  - (ii) the biodiesel content in the motor vehicle biodiesel expressed in percentage should not deviate from the percentage of biodiesel content indicated on the label by more than one percent (for example, a biodiesel with its biodiesel content of 15% specified on the label should have its biodiesel content between 14% and 16%, both inclusive).
- (c) Penalty for non-compliance - the penalty for non-compliance with the motor vehicle biodiesel specifications in (a) will be the same as the fine level for similar offence in the case of motor vehicle diesel or petrol which has a maximum fine of \$50,000. Non-compliance with the labelling requirements in (b) will also attract the same maximum fine, which is set at the same level as offences for failure to display relevant certificates under various regulations of the Air Pollution Control Ordinance.

## **CONSULTATION**

10. Biodiesel suppliers, the oil companies, and the Motor Traders Association of Hong Kong which represents all the major suppliers of local diesel vehicles have no objection to the proposed regulatory control on motor vehicle biodiesel.

## **PUBLIC REACTION**

11. We expect that the general public will support the proposal as this will help safeguard the quality of motor vehicle biodiesel and hence promote its use. Moreover, a wider use of biodiesel can help reduce greenhouse gas emissions.

## **LEGISLATIVE TIMETABLE**

12. We plan to table in this year the enabling legislative amendment for the approval of the Legislative Council.

## **ADVICE SOUGHT**

13. Members' views are sought for the proposal elaborated in paragraph 9.

**Environmental Protection Department**  
**June 2009**

**Motor Vehicle Biodiesel Label**

汽車生化柴油 (B (i) )

**Motor Vehicle Biodiesel (B (ii) )**

本燃料含有百分之 (iii) 生化柴油\*

This fuel contains (iv) percent biodiesel\*

不適用於部份車輛

Not suitable for some vehicles

使用前請徵詢有關的認可車輛代理商

Consult the relevant authorized vehicle dealers before use

本汽車生化柴油符合空氣污染管制(汽車燃料)規例(第 311L 章)條款的規定。

This motor vehicle biodiesel conforms to the provisions of the Air Pollution Control (Motor Vehicle Fuel) Regulation (Cap. 311L).

\* 生化柴油含量與標籤數值相差不多於 1%。

The biodiesel content does not deviate from the label by more than 1%.