

## SHEQ Alert 22-03 Fuel Legislation Changes April 2022

### Introduction:



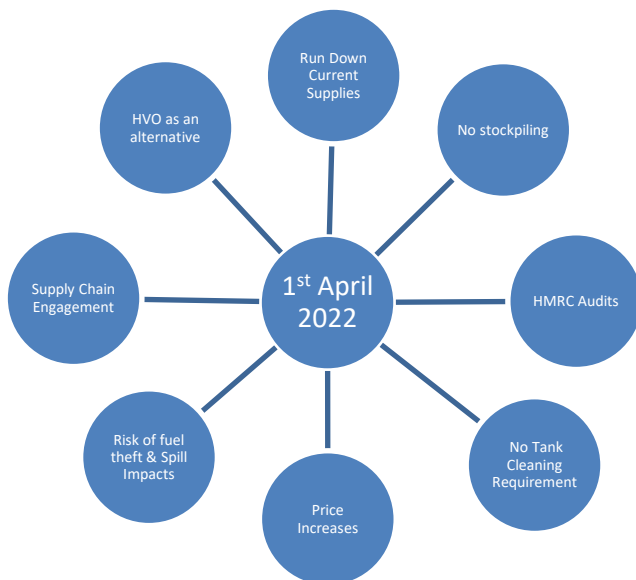
From the 1<sup>st</sup> of April this year, businesses in the construction industry will no longer be able to use red diesel.

Red diesel is diesel used mainly for off-road purposes, such as to power plant and cranes used in construction. It accounts for around 15% of all the diesel used in the UK and is responsible for the production of nearly 14 million tonnes of carbon dioxide a year. The ban of the use of red diesel in construction is to help meet government climate change and air quality targets.

Historically, some oils and fuels are taxed at a lower rate because fuel duty was intended to be a tax on road vehicles – including gas oil. Gas oil was chemically marked red to allow law enforcement agencies to identify it as rebated and to detect when the wrong fuel was being used (“fuel fraud”).

Removing red diesel entitlements will help ensure that the tax system incentivises users to improve the energy efficiency of their vehicles and plant, invest in cleaner alternatives or just use less fuel. These duty changes are part of the government’s aim to bring the UK’s greenhouse gas emissions to net zero by 2050 – a target that is set in law

### Key points



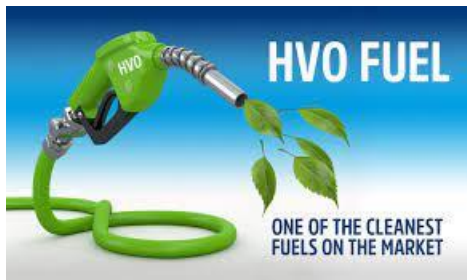
From **1<sup>st</sup> April** you will no longer be able to order red diesel.

- Prior to the deadline of 1st April, all our sites should be looking to **run down** current supplies
- **No stockpiling** allowed - it will be illegal to use Red Diesel after 1st April.
- **HMRC Audits** will take place including dye testing of tanks and checking fuel supplier invoices to ensure we have been buying and using white diesel.
- At the moment, we are **not required to clean or swap out our tanks** to get rid of any traces of red dye.
- **Prices of fuel will increase** for ourselves and the wider supply chain, with the tax rate increasing from about 11ppl to 58ppl – an increase of 47ppl.

- As the majority of fuel on site will be white diesel – this increases the **risk of theft** as this fuel can be used in road vehicles, so we need to ensure our fuel tanks are secure and inaccessible to unauthorised access (i.e., padlock fuel tanks, consider fuel pods in especially high-risk areas and ensure your site is secure). Ensure all fuel tanks on site are labelled with the contents and the person/company responsible for them.
- The increased risk of theft also **increases the risk of significant spills** or releases during any thefts – ensure any fuel tanks are banded to 110% capacity and have plant nappies/enviropads and spill kits held nearby; also consider drainage protection.



- **Engage our Plant suppliers** and consider **electric alternatives** to small plant, equipment, and welfare – restrictions on red diesel will increase the cost of fuelling plant and powering site. If electric (or other) alternatives can be implemented they may work out cheaper. Speak to your plant and equipment provider to see what alternatives are available.
- Consider switching to **HVO** ahead of the 1<sup>st</sup> of April deadline.

## What is HVO?



HVO is a fossil-free fuel alternative to diesel made from Hydro-Treated Vegetable Oil (HVO). It is manufactured from 100% renewable & sustainable waste derived raw materials. It delivers the same performance as regular diesel, but cuts greenhouse gas emissions by up to 90%. HVO is distributed in the same way as regular diesel, using the same tanks and pumps, and is compatible with all plant on an MWH sites.

HVO can be ordered and purchased via the following methods:

<p><b>Hall Fuels</b> (a division of Watson Petrol Pumps Ltd.)</p> <p><b>HALL FUELS</b> </p> <p>Call Off either by Telephone 0203 872 2206 (<u>Option 1</u> – Place an order/discuss pending order, eta) (<u>Option 2</u> – To discuss a query on your account) or E-mail – <a href="mailto:nationalcustomerservices@watsonfuels.co.uk">nationalcustomerservices@watsonfuels.co.uk</a> quoting; Project Number and Employee number i.e. ADP12345-05623</p>	<p><b>Speedy Hire</b></p> <p></p> <p>Call: 0345600 4084 Or Email: <a href="mailto:MWHT@speedyservices.com">MWHT@speedyservices.com</a></p> <p>Quote; Project Number and Employee number i.e. ADP12345-05623</p>
<p>No order on IFS required as the Agreement is based on Consolidated Invoicing. Do not need to seek quotes as price list has been agreed</p>	

## Questions

**Q1: Can you stockpile red diesel in the near future?**

**Q2: Have you got your spill and security equipment arranged for near your fuel tank?**

If in DOUBT STOP WORK and seek advice from your manager.

