

National Energy Board
"Biodiesel Industry Development Policy"

Development and Reform Commissions (Energy Bureaus) of all provinces (autonomous regions and municipalities directly under the Central Government): The "Biodiesel Industry Development Policy" has been discussed and approved at the office meeting of the Director of the National Energy Administration. It is now issued to you. Please implement it carefully in accordance with the actual situation. If there is any problem in the implementation, feedback in time.

National Energy Board
November 28, 2014

Biodiesel industry development policy

National Energy Board

Preface

Biodiesel refers to the clean and renewable liquid fuel for transportation produced from oil and fat raw materials, such as waste animal and vegetable oils (abbreviated as waste oils), non-edible grass/woody oils, etc. It has a high cetane number, non-toxic, Low-sulfur, degradable, and aromatic-free. It can be directly substituted or blended with fossil diesel to effectively improve the lubricity of low-sulfur diesel and help reduce diesel engine exhaust particulate matter, carbon monoxide, hydrocarbons, sulfide and other pollutant emissions .

The development of the biodiesel industry is of great significance for improving the air quality and ecological environment, increasing the proportion of green and clean fuels, exploring alternative ways of oil, and promoting the development of energy agriculture and forestry. It is to solve the problem of "waste oil" returning to the table, effectively guarantee food safety, and protect the public A major measure for physical health is an inevitable requirement for turning waste into treasure, turning harm into profit, promoting the development of circular economy, and improving the level of ecological civilization.

In order to standardize the production and promotion and application of biodiesel, guide the scientific and orderly development of the industry, and build the main channel for resource utilization of "waste oil", in accordance with the "Renewable Energy Law", "Renewable Energy Medium and Long-term Development Plan" and "Air Pollution Prevention and Control Actions" "Plan" and other laws and regulations, specially formulate this industrial policy.

Chapter One Policy Objectives

Article 1. Give full play to the decisive role of the market in resource allocation, better play the role of government guidance and supervision, make overall

planning and layout, strengthen policy support, innovate systems and mechanisms, and create raw material routes suitable for national conditions, reasonable industrial layout, advanced transformation technology, and orderly market , A new type of biodiesel industry with sustainable and healthy development.

The second article is to build a sustainable raw material supply system that is suitable for the characteristics of China's resources and is mainly based on waste oils and wood (grass) non-edible oils as a supplement. The provinces that develop the waste oil and biodiesel industry have established a relatively complete waste oil recycling system, perfected recycling laws and regulations; initially established an energy plant (plant) oil supply model; explored and optimized microalgae cultivation and oil extraction technology to realize microalgae biology Breakthrough in diesel technology.

Article 3 Establish the social responsibility awareness of biodiesel production enterprises, strictly enter the industry, form a clean, efficient, mature and reliable advanced set of process technologies with a high level of automation, and establish a biodiesel production with advanced technology, economies of scale, reasonable layout, and environmentally friendly pattern.

Article 4 Improve the sense of social responsibility and environmental protection awareness of refined oil business enterprises and consumers, and establish the concept that everyone is obliged to use green and renewable energy. Establish and improve the biodiesel price formation mechanism, supporting supporting policies, standard and standard systems, and market sales network that are suitable for my country's national conditions, strengthen government supervision, and create a good development environment for market standards and orderly competition.

Chapter II Development Plan

Article 5 Scientifically formulate industrial plans, strengthen the coordination and coordination of plans at all levels, guide the standardized and orderly development of the biodiesel industry, and provide an important basis for industry supervision and promotion and application.

Article 6 The competent energy department **of the** State Council shall formulate, revise and be responsible for organizing the implementation of biodiesel industry development policies and special plans in accordance with the needs of industrial development, and coordinate the development scale and total balance of the biodiesel industry in various regions.

Article 7 The regions or provinces that intend to develop the biodiesel industry and promote the use of biodiesel blended fuels shall compile the development of the biodiesel industry in the region in accordance with relevant national development plans and industrial policies, combined with local waste oil and other non-edible oil resources. Plan to determine development goals, raw material supply plans, production capacity layout, popularization and application areas, sales network construction, and supporting safeguard measures.

Article 8 The development plan for the biodiesel industry in each region shall be submitted to the energy authority of the State Council in accordance with regulations. According to the requirements of the national energy master plan and related special plans, the State Council's energy authority shall comprehensively consider the development needs and construction conditions of various regions, and

put forward opinions on convergence and balance after evaluation and demonstration. Each region will organize the implementation after revising the plan.

Article 9 The competent department of energy under the State Council shall organize and carry out mid-term or post-evaluation of the effect of plan implementation in a timely manner.

Chapter III Raw Material Guarantee

Article 10 According to local conditions, focusing on the use of waste oils, actively carry out the construction of non-edible woody oil energy forests, explore the development of non-edible herb oil and microalgae resources, and gradually establish a sustainable raw material supply guarantee system suitable for China's national conditions.

Article 11 Combining the pilot work of resource utilization and harmless treatment of restaurant and kitchen waste, establish a recycling and supply system for waste fats and oils. Combining dredging and blocking, focusing on dredging, establish a fixed-point recovery and directional supply mechanism for waste fats and oils such as catering and food processing, so as to realize the collection and resource utilization of waste fats in the area. Encourage waste grease supply units to actively sell waste grease to biodiesel production enterprises.

Article 12 Actively construct oil-bearing energy forest bases, rationally develop and utilize barren hills and wasteland suitable for afforestation and other suitable non-arable land, cultivate oil-bearing energy tree species in a targeted manner, and carry out large-scale planting. Actively develop and utilize non-edible herbal oil resources. Explore the industrialized supply model of microalgae cultivation, harvesting, and oil extraction.

Article 13 Encourage biodiesel production enterprises to invest in the construction of waste oil and fat purchasing system, supporting raw material bases, and integrated upstream and downstream development. Encourage the development of special machinery for collection, storage and transportation, and support the establishment of a standardized raw material collection, storage, and transportation supply guarantee system for energy (plants).

Chapter IV Industrial Layout

Article 14: Overall layout, orderly development and utilization of waste oil resources and non-edible oil resources, follow the path of large-scale and intensive development, and gradually form an industrial structure dominated by several cross-regional backbone enterprises.

Article 15: Principles of industrial layout: First, it reflects the advantages of raw materials, and is close to large and medium-sized cities with rich waste oil resources; second, makes overall plans and takes into account the local existing raw material utilization scale and acquisition radius, and avoids vicious competition in raw material purchase; third, reflects intensification, Large-scale operation requirements, to prevent small, scattered, chaotic; fourth, close to the consumer market, nearby sales. Encourage projects to be constructed in industrial parks established in accordance with laws and regulations. Prioritize the layout of biodiesel projects in the Beijing-Tianjin-Hebei, Yangtze River Delta, and Pearl River Delta Economic Circles.

Article 16 Relying on the existing refined oil circulation network, establish a biodiesel blended fuel supply and sales system that is based on the backbone of refined oil business, supplemented by small and medium-sized enterprises, and is compatible with the existing refined oil circulation pattern. The provincial-level bio-liquid fuel promotion agency will determine the layout of biodiesel blending enterprises and their distribution centers based on the current status of the province's refined oil sales network.

Chapter 5 Industry Access

Article 17 Enterprises entering the biodiesel industry must be honest and law-abiding, have a high sense of social responsibility, strong economic strength and anti-risk capabilities, have the source of raw materials in place, and have a solid technical foundation.

Article 18 Biodiesel production enterprises must build a complete and reliable raw material supply system. Biodiesel production companies that use waste oil as raw materials should formulate a comprehensive waste oil supply plan, focusing on linking up with the provincial-level biodiesel industry special plan, and signing medium and long-term contracts or agreements with waste oil supply units that have obtained operating licenses to clarify the waste Source and quantity of fat. If oil-bearing energy plants are used as raw materials, a corresponding scale of raw material planting base should be built.

Article 19 Biodiesel production enterprises shall reach the domestic advanced level in terms of process technology and equipment, comprehensive utilization of resources, clean production, environmental protection and fire safety, etc., shall pass the quality management system certification, and reach the third level of the basic norms of enterprise safety production standardization Require. The yield of biodiesel products (calculated as convertibles) reaches more than 90%, the consumption of methanol per ton of biodiesel products is no more than 125 kg, fresh water is no more than 0.35 cubic meters, and the comprehensive energy consumption is no more than 150 kilograms of standard coal; The glycerol produced must be recycled, separated and purified; the "three wastes" are discharged up to standards.

Article 20 A biodiesel production enterprise shall implement a target market that matches the scale of production, and there must be a commitment to accept biodiesel and promote biodiesel blended fuels by key refined oil business enterprises. The provincial government where the target market is located shall formulate (revise) and promulgate local regulations for the promotion of the use of biodiesel blended fuel, and determine the promotion area and time.

Article 21 A biodiesel blending enterprise shall have the qualifications for the wholesale business of refined oil, possess the necessary product quality analysis methods, and establish a strict biodiesel and blended fuel storage, deployment and transportation system. The biodiesel blended fuel sales enterprise shall have the qualifications for the wholesale and/or retail of refined oil. A refined oil wholesale business enterprise that applies to engage in the blending and wholesale of biodiesel blended fuels shall undertake to purchase biodiesel and sell biodiesel blended fuels in accordance with relevant regulations.

Article 22 Within 2 years from the date of the issuance of this industrial policy, biodiesel production equipment that still fails to meet the requirements of Article 19 shall be eliminated.

Chapter VI Production and Supply

Article 23 Support the production and popularization of biodiesel in accordance with relevant laws and regulations, in combination with the needs of air pollution control. Actively learn from the basic experience and successful practices of bio-liquid fuel pilots, and adhere to the principle of "standardized production, strict supervision, and orderly development".

Article 24 The competent department of the provincial government shall, in accordance with the national opinions on strengthening the management of "waste oil" and the management of restaurant and kitchen waste, and based on the actual conditions of the region, strictly record the management of waste oil production biodiesel projects. After the national food waste management and resource utilization laws and regulations are promulgated and implemented, the relevant regulations shall be followed.

Article 25 In accordance with the principle of production and marketing, a biodiesel production and promotion target responsibility assessment system shall be implemented. The provincial government authorities determine the biodiesel production and supply plan and annual promotion targets in the region in accordance with relevant national and regional laws and regulations, industrial policies, development plans, industry access standards, etc., and copy them to the energy authority of the State Council. After the annual promotion target is determined, the competent department of the provincial government will take the lead in organizing and coordinating the implementation.

Article 26 For projects that require overall coordination at the national level, such as the cross-provincial promotion of biodiesel, the implementation of relevant central support policies and the main marketing channels, etc., the provincial government department may apply to the relevant national functional departments, and the relevant national Coordination of functional departments.

Article 27 Foreign investment in biodiesel production and mergers, acquisitions, and reorganizations of domestic biodiesel production enterprises shall be implemented in accordance with the relevant regulations on foreign investment management. Foreign-funded enterprises operating biodiesel blended fuels shall be implemented in accordance with the relevant regulations on the circulation of refined oil.

Chapter 7 Promotion and Application

Article 28. Establish a biodiesel market sales or promotion share binding target responsibility management system. Refined oil sales enterprises shall incorporate biodiesel products that meet national standards into their refined oil sales system. Strengthen public opinion and guidance, encourage closed promotion, and create a good consumption environment.

Article 29 The competent department of the provincial government in the regions where the use of biodiesel is promoted shall, in accordance with the requirements of the administration according to law, coordinate and implement the local laws and regulations for the promotion of the use of biodiesel blended fuel in the province, as well as various related supporting plans and measures, and determine the promotion and use Time and region. Encourage Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta and other key areas for air pollution prevention and control to promote the use of biodiesel.

Article 30 Biodiesel shall be purchased and blended by refined oil wholesale business enterprises. Refined oil operating companies should build a biodiesel blended fuel distribution center in accordance with the planned layout, relying on existing oil depots, and incorporate all qualified products within the annual targets for biodiesel production and promotion into their sales system.

Article 31 In the promotion area, the refined oil wholesale business enterprise shall promptly sign the purchase and sale contract with the biodiesel production enterprise that meets the access conditions and strictly perform it. In principle, the total purchase and sale of the product shall not be less than the proportion of the regional promotion target. Share. Biodiesel production enterprises should achieve their annual targets with quality and quantity.

Article 32. Vigorously publicize the strategic significance and important role of biodiesel in solving the problem of "waste oil" returning to the table, controlling atmospheric smog and sustainable development, and creating a good consumption environment. Encourage public transportation, environmental sanitation and other government-managed vehicles to give priority to using biodiesel blended fuel. Refined oil sales companies should actively sell biodiesel, and key companies should actively respond to national strategic deployment, fulfill their social responsibilities, and take the lead in acquiring, blending and selling biodiesel.

Chapter 8 Technological Innovation

Article 33 Persist in the integration of independent research and development with introduction and absorption, basic research and commercial application, strengthen the construction of innovation platforms, encourage joint research by industry, academia and research, and develop new high-yield energy plants, as well as strong adaptability of raw materials, clean production process, and energy consumption Advanced technology and equipment of biodiesel with low material consumption and high level of comprehensive utilization.

Article 34 Relying on superior enterprises and scientific research institutes, build a national R&D platform for energy biodiesel raw materials and conversion. Combining with the needs of industry development, conduct research on related major topics to provide technical support for industry development.

Article 35. Carry out research on the technology of breeding and expansion of high-quality seeds, cultivate high-yield, high-oil, and highly resistant oil-bearing energy tree species, and research and develop new technologies and special equipment for cultivation, tending and harvesting of energy forests, so as to form high-yield oil-bearing energy forests. Technology System. Strengthen the selection and promotion of excellent varieties of herb energy oil crops, and research and develop special equipment for sowing, fertilizing, irrigation and harvesting. Carry out the screening and cultivation of oil-rich microalgae species, develop low-water consumption, continuous, large-scale microalgae culture technology, low-cost, low-energy harvesting and oil extraction technology, and comprehensive utilization of algae residue.

Article 36 Develop processing technologies and complete sets of equipment with a wide adaptability of raw materials and a biodiesel product yield of more than 95%. Carry out research on the comprehensive utilization technology of cakes and meal, develop the by-product glycerin production technology of 1,3-propanediol, 2,3-butanediol and other chemical products, so as to maximize the utilization of resources.

Article 37 The national standards of "Biodiesel for Diesel Engine Fuel Blending (BD100)" and "Biodiesel Blending Fuel (B5)" **shall be** adjusted in due course as mandatory standards. With reference to the quality upgrade standards for automotive diesel, the corresponding biodiesel blended fuel standards were simultaneously formulated.

Article 38. Carry out research on low-pour-point biodiesel and high-mix biodiesel blended fuels, improve the standard system of biodiesel and biodiesel blended fuel products; formulate technical specifications for the supply of raw materials, production and processing, and product sales. Complete industry standardization system.

Article 39 Encourage automobile and ship manufacturing enterprises and related research institutions to optimize the design of diesel engine systems, and give full play to the power, energy saving and environmental protection characteristics of biodiesel blended fuels.

Chapter 9 Environmental Protection

Article 40 Biodiesel production and its supporting raw material base construction projects shall carry out environmental impact assessments in accordance with the law, and strictly implement the "three simultaneous" regulations for environmental protection.

Article 41 The construction of supporting raw material bases should avoid ecologically sensitive areas such as nature reserves and drinking water sources, and comply with the forest land protection and utilization plan and the overall regional land utilization plan. No cultivated land and ecological public welfare forest land shall be occupied, and forestry shall not be destroyed. Energy forest (grass) planting and microalgae cultivation should pay attention to biodiversity protection to prevent the invasion of alien species.

Article 42 Strictly implement the environmental protection measures of waste grease and biodiesel production enterprises, clarify the environmental supervision requirements for the collection, storage and transportation of waste grease, and prevent problems such as volatile organic compounds (VOC) and odors from disturbing the people.

Article 43 Promote clean production technology to prevent and reduce the generation of pollutants from the source. Strictly implement the "Environmental Protection Law", "Clean Production Promotion Law" and other laws and regulations, and the emission concentration and total amount of the "three wastes" of production enterprises must meet relevant national and local standards and total control requirements.

Chapter X Policy Measures

Article 44 Strengthen organizational leadership and establish a working mechanism conducive to industrial development. The state has formulated and issued clear and clear long-term support policies for prices, taxes, finances, and investment. In principle, relevant regions should introduce relevant local supporting policies.

Article 45 Continue to improve the national coordination mechanism for the promotion of bio-liquid fuels, and provide support and services for the development

of the local biodiesel industry. Local energy authorities should establish and improve corresponding working mechanisms and promotion agencies, clarify the division of responsibilities, implement responsibilities, and coordinate advancement to avoid separate governance and multiple management. Strengthen the communication and coordination between the national and local energy authorities, biodiesel production companies, and key oil products operating companies, and coordinate the advancement of relevant major issues.

Article 46 The supply price of diesel (standard product) for military and national reserves established by the National Development and Reform Commission at the same time shall be used as the benchmark price of biodiesel for vehicle fuel for biodiesel production enterprises and refined oil wholesale operations. In accordance with the principle of the same quality, the same price, the retail price of biodiesel blended fuel is subject to the same-label automotive diesel price policy.

Article 47 Taxation policy support shall be given to biodiesel in accordance with national regulations. Biodiesel whose proportion of waste oil and fat in the production raw materials meets the requirements of the regulations can enjoy comprehensive resource utilization products and other relevant preferential tax policies for value-added tax and consumption tax. Study and introduce tax incentives or other incentive policies for the blending of vehicle diesel.

Article 48 The construction of supporting oil energy forest bases for biodiesel production enterprises (projects), including improved seed breeding, afforestation, tending, and other financial subsidies, shall be handled in accordance with relevant regulations. Financial institutions and commercial banks support the development and construction of energy forests in accordance with relevant regulations on forest insurance and other financial support for forestry development.

Article 49. Actively use central infrastructure investment to provide investment subsidies to eligible biodiesel projects. Projects that produce more than 100,000 tons of biodiesel annually will be subsidized according to the high limit as appropriate. Increase investment in science and technology, and support the development of research on technological innovation-related topics and the construction of a standard system.

Article 50 The promotion and use of biodiesel shall not be included in the total energy consumption assessed by the local energy conservation and emission reduction target responsibility assessment. Actively promote the trading of carbon emission rights in the biodiesel industry, and incorporate emission reductions into the assessment system of local and corporate carbon dioxide emission intensity reduction indicators.

Chapter 11 Supervision and Management

Article 51 The competent energy department of the State Council strengthens the supervision and management of the entire biodiesel industry chain in accordance with laws and regulations, establishes a full-process participation, effective connection, mutual cooperation, and forms a closed-loop supervision mechanism, clarifies supervision tasks and target responsibilities, and focuses on supervising industry access, The use of raw materials, target implementation, energy conservation and environmental protection, promotion and application, etc., ensure the orderly development of industry standards.

Article 52 Establish and improve the industrial supervision system, and build a closed-loop supervision mechanism for the biodiesel industry. Energy regulatory

agencies at all levels, local competent authorities, industry and commerce, quality inspection and other relevant regulatory agencies should clarify their responsibilities, cooperate closely, and support each other in accordance with work requirements, and jointly do a good job in the supervision of industrial development. The energy department of the State Council strengthens the regulation of biodiesel industry access in accordance with the law. Enterprises or investment projects that do not comply with relevant national and regional laws and regulations, industrial policies, development plans, and industry access requirements will not be included in the production and promotion annual target management, and will be investigated Responsibilities of related units and personnel.

Article 53 Biodiesel production enterprises and waste oil and fat suppliers shall strictly perform the purchase and sale contract or agreement, purchase and sell waste oil and fat as agreed, and shall bear corresponding responsibilities in accordance with laws and regulations. It is strictly forbidden to use edible oils and oils as raw materials to produce biodiesel. Severely crack down on the illegal production and sale of edible oils by biodiesel companies using waste oils.

Article 54 Biodiesel production enterprises that meet the industry access requirements shall not purchase biodiesel for sale. Biodiesel production enterprises that do not meet the industry access requirements shall not engage in the production and sales of biodiesel products.

Article 55 According to their functions, the national energy regulatory (delegated) agencies and local energy authorities shall supervise and urge biodiesel production enterprises to strictly implement clean production and safe production regulations, and implement environmental protection, Energy-saving and security measures, energy consumption, material consumption, water consumption, pollution discharge and other production technical indicators should reach the domestic advanced and designed level to ensure that the "three wastes" meet the discharge standards and safe production.

Article 56 A refined oil wholesale business enterprise shall not purchase biodiesel from a production enterprise that does not meet the industry access requirements. If a refined oil business enterprise refuses to sell biodiesel blended fuel in accordance with the relevant administrative measures of the province (autonomous region, municipality) and completes the annual sales target task, the national and local energy authorities shall, in accordance with the requirements of the Renewable Energy Law, order it to make corrections within a time limit If it refuses to make corrections, it shall be punished in accordance with the law; if it causes economic losses to the biodiesel production enterprise, it shall be liable for compensation in accordance with the law. Failure to perform or incomplete performance of the biodiesel purchase and sale contract shall be liable for breach of contract in accordance with the Contract Law.

Article 57 Strictly implement the national standards for biodiesel (BD100) and biodiesel blended fuel (B5). Relevant functional departments should strengthen the supervision of the biodiesel blended fuel circulation market, and resolutely investigate and punish product quality violations; where unqualified products enter the market or sell non-biodiesel blended fuels in designated closed promotion areas, the relevant functional departments shall manage them in accordance with the law And punishment.

Article 58. The competent department of energy under the State Council shall conduct random inspections on biodiesel production enterprises. If problems are discovered, the company shall be ordered to rectify within a time limit, and the

violations of laws and regulations shall be dealt with in accordance with relevant laws and policies.

Article 59 Establish a regulatory periodic reporting system. Energy regulatory agencies at all levels should regularly summarize and analyze the production and promotion and use of biodiesel, and focus on the outstanding problems and contradictions, put forward corresponding measures and solutions, and submit them to the energy authority of the State Council in a timely manner as a way to revise and improve relevant development plans and industries. An important reference for policies and total targets.

Chapter 12 Miscellaneous

Article 60 Give full play to the role of the national energy-related research and development center and intermediary agencies as a bridge, conduct timely research on major issues in industrial development, and put forward industrial development policy recommendations.

Article 61 This policy shall be implemented from the date of issuance, and the National Energy Administration shall be responsible for the interpretation.