



Department for
Energy Security
& Net Zero

Consultation on the proposal to make regulations requiring provision of information at specified intervals

Core Fuel Sector Resilience measures,
Energy Act 2023

Closing date: 8 July 2024



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Any enquiries regarding this publication should be sent to us at: downstreamoilteam@energysecurity.gov.uk

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General information

Consultation details

Issued: 13 May 2024

Respond by: 23:59 on 8 July 2024

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Consultation reference: Proposal to make regulations requiring provision of information at specified intervals.

Audiences:

Anyone may respond to this consultation and consideration will be given to all responses. We will be particularly interested to hear from stakeholders in the core fuel industry such as refiners, terminal owners, hauliers, pipeline operators, forecourt owners and trade associations.

Territorial extent:

The consultation will cover the United Kingdom.

How to respond

Responses should be provided either by email or via the online portal.

Respond online at: energygovuk.citizenspace.com/energy-security/provision-of-information-at-specified-intervals

or

Email to: downstreamoilteam@energysecurity.gov.uk

Write to:

Downstream Oil Resilience team
Department for Energy Security and Net Zero
Old Admiralty Building
London
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A response form is available on the GOV.UK consultation page:

www.gov.uk/government/consultations/core-fuel-sector-resilience-provision-of-information-at-specified-intervals

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please tell us but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Introduction

The Government has identified the need to maintain and improve the resilience of the nation's core fuels sector in the face of evolving challenges and uncertainties. The core fuel sector resilience measures as part of the Energy Act 2023, provide the Government with the necessary tools to protect against fuel supply disruptions during the transition to a net zero emissions economy. The measures will ensure the core fuel sector takes appropriate actions to maintain or improve fuel supply resilience and to guarantee the UK a secure and reliable energy supply.

The measures include the following powers.

- **information powers:** require industry to provide information upon request including to provide regular data, and to report incidents, to ensure Government can identify potential and actual disruptions early and target contingency measures more effectively.
- **power of direction:** enables Government to direct industry to take measures to improve their own resilience or ensure continuity of supply – this power would be used proportionately and as a last resort.
- **financial assistance power:** authorises Government to provide financial assistance to support sector resilience and ensure continuity of supply.

These measures are intended to work within the structure of the core fuel supply market. They allow the Government additional protections for infrastructure sites that are essential to maintain regional fuel supplies and give powers to minimise risks that failures of such sites would result in fuel shortages. The Government considers that these measures are an appropriate and effective response to arising issues and create a more aligned and transparent protocol between the Government and the sector.

As part of this regime, section 276 of the Energy Act 2023 enables the Secretary of State to make regulations, for the purpose of maintaining or improving core fuel sector resilience, to require certain core fuel sector participants and relevant wetstock managers to furnish pertinent information regarding their activities and assets (or, in the case of relevant wetstock managers, the activities or assets of the person carrying on core fuel sector activities, to whom the relevant wetstock manager provides its services) at specified intervals¹.

Core fuel sector resilience means the capability of core fuel sector participants to manage the risk of, reduce the potential adverse impact of, and facilitate recovery from disruptions to core fuel sector activities². Section 276 (1) sets the threshold for those who may be required to provide information at specified intervals as:

- a person carrying on core fuel sector activities in the course of a business which has a capacity in excess of 1,000 tonnes;

¹ For more detail, please refer to Part 12 of the Energy Act 2023
<https://www.legislation.gov.uk/ukpga/2023/52/enacted>.

² The definition of 'core fuel sector activity' can be found in section 268 of the Energy Act 2023
<https://www.legislation.gov.uk/ukpga/2023/52/enacted>.

- a Part 12 facility owner³ whose owned facility has capacity in excess of 1,000 tonnes.

As set out in section 276(4), the regulations may make provisions about:

- the information to be provided;
- the manner in which the information to be provided;
- time limits for providing information.

The Government intends to make regulations to establish requirements for regular provision of information to the Secretary of State. This consultation document aims to set out what information we seek to collect and to what timescales, who is required to provide this, and to seek views on how this might work in practice for those required to provide the information.

Section 276 has been designed to ensure that the Government has access to accurate, up-to-date, and consistent information about the activities and assets of core fuel sector participants and relevant wetstock managers that meet the threshold above. This information is integral to support the monitoring and then maintaining and improving of resilience within the core fuels sector, thereby enhancing the nation's ability to respond effectively to various challenges.

³ “Part 12 facility owner” means the owner of a pipeline, terminal, or other facility or infrastructure which is used, or any part of which is used, for the purposes of core fuel sector activities; and in relation to a Part 12 facility owner, “the owned facility” means the facility or infrastructure mentioned in the definition of “Part 12 facility owner”.

Key objectives

The overarching objective of the proposed regulations to require provision of information, is to strengthen the sector’s resilience by enabling the Government to fulfil the following functions of maintaining and improving core fuel sector resilience, in an accurate and timely fashion. The proposed information the Secretary of State seeks to collect will assist the Department to:

Run Impact Assessments on a Range of Resilience Risks: These assessments will enable the Government to design proportionate and proactive strategies to mitigate risks and minimise potential disruptions, and ensure core fuel sector resilience. This will complement the new statutory duty to report incidents and risks under section 274 of the Act.

Design and Scale Response Schemes: The data obtained will facilitate the design and scaling of response schemes, including Operation ESCALIN⁴ and the Reserve Tanker Fleet⁵ (RTF). These schemes play a vital role in ensuring rapid and effective responses to crises.

Monitor Sales and Stock Levels: The information collected will be used to monitor sales and stock levels within the fuel supply chain. This proactive monitoring helps identify emerging risks early and facilitates the tracking of incidents, enabling swift intervention and reducing the potential for escalation.

⁴ Operation ESCALIN is a response scheme that involves Government working with the downstream oil industry, including haulage companies, to maintain a capability within the Armed Forces to make fuel deliveries in the event of a serious disruption to normal deliveries.

⁵ Government has access to a reserve fleet of fuel tanker vehicles that can be deployed at short notice to provide additional capacity to industry to maintain fuel deliveries.

Implications for Core Fuel Participants

The reporting framework proposed to be introduced through section 276 will require certain core fuel participants and relevant wetstock managers to provide information at specified intervals on their relevant activities and assets (or, in the case of relevant wetstock managers, the activities or assets of the person carrying on core fuel sector activities, to whom the relevant wetstock manager provides its services). This requirement is essential for fostering collaboration, transparency, and alignment within the sector, contributing to a more resilient and secure national fuel supply. Establishing these requirements will bring about several key benefits, including:

- **Enhanced Preparedness:** The government's ability to rank and assess critical infrastructure and systems ensures preparedness for potential disruptions.
- **Early Risk Identification:** Monitoring sales and stock levels aids in early risk identification, minimizing potential incidents.
- **Proactive Risk Management:** Regular impact assessments facilitate proactive risk management and mitigation strategies.
- **Efficient Response:** Well-designed and scaled response which will enable efficient crisis management and resource allocation.

Seeking Your Input:

Your insights are invaluable in shaping an effective reporting framework under section 276. We invite your feedback on various aspects, including on the operational feasibility of the proposals, in particular:

How do you intend on ensuring the data outlined in this consultation is collected accurately and provided on a timely basis?

Can these collections be easily incorporated into your existing operations, and if not, please explain why?

Your engagement and feedback are valued in ensuring the effectiveness of the reporting framework. With this in place, we can create a more secure and resilient core fuels sector that safeguards the security of supply.

Data already collected

Stakeholders have previously highlighted the importance of making data collection as easy as possible by streamlining the data collection process, avoiding unnecessary burden on stakeholders and providing clarity on the scope of information that will be collected.

In alignment with the objective of reducing complexity and minimizing the burden on stakeholders, we will avoid, where possible, including in the new reporting regime information that is already collected by Government and to which the Department has access. This is designed to avoid unnecessary duplication of effort for both industry and Government, while ensuring we have a single source of truth. The excluded information includes:

Downstream Oil Reporting System (DORS) Data: DORS is a comprehensive system designed to gather and analyse data related to the production, supply, trade, and disposal of petroleum products in the United Kingdom. This data is collected on a monthly basis by the Department, typically around the 21st of each month, providing insights into product movements across various stages of the downstream oil sector.

The DORS data encompasses a wide range of information, including details from refineries, terminals, pipeline terminals, port/intercoastal tankers, and UK airports. These inputs contribute to a holistic understanding of the petroleum product landscape in the UK. No significant changes are foreseen in the scope of the DORS data collection, and stakeholders can anticipate a stable reporting framework.

Quarterly LPG Returns Data Collection: The Quarterly LPG Returns data collection is designed to capture information related to Liquefied Petroleum Gas (LPG) movements, imports, exports, and supplies in the United Kingdom. This data collection process occurs on a quarterly basis, contributing to a comprehensive understanding of LPG activities within the country. The Quarterly LPG Returns encompass data points such as LPG imports and exports from the UK continental shelf, as well as a detailed breakdown of supplies from wholesalers. This breakdown includes various supply categories, including domestic, industrial, and commercial.

It is important to note that the Department is responsible for collecting and managing the required data elements and already engages in the collection of specific LPG-related information, which contributes to a broader perspective on the LPG sector's dynamics. The Quarterly LPG Returns data collection process is anticipated to remain the same, with no changes.

HMRC data and reporting: HMRC collects essential data relevant to various governmental functions, including administration and enforcement of the Renewable Transport Fuel Obligation (RTFO).

Section 278 of the Energy Act authorises HMRC to disclose information to the Department for Energy Security and Net Zero for the purpose of facilitating exercise of the SoS's functions relating to core fuel sector resilience. The information HMRC currently collects will allow the Department to specifically monitor the off grid and commercial fuels supply chain situation and, anticipate pinch points and any potential issues in supply to what are critical users (off grid heating supplies). Information can then be used to avoid issues or support decision making during an emergency and situations short of emergency.

Intended requirements of the proposal to collect data at specified intervals

To meet the objectives set out above, we are seeking to enhance the timeliness, quality and coverage of information provided by stakeholders within the sector. This consultation document seeks your input on the proposed reporting timelines, information covered in the data collections, and the ease of reporting this information.

This consultation explains what type of data we aim to collect, from whom and the frequency of collection, and seeks to obtain views that will help us explore ways to enhance existing processes to ensure a comprehensive and accurate data landscape. Your insights will play a crucial role in shaping our ability to proactively respond to emerging threats, enabling us to design targeted resilience strategies. We are committed to streamlining our data collection effort and as such, we seek your input to identify any data that is currently being provided but is no longer used or required for core fuel sector resilience. This consultation will enable us to focus resources on data points that truly contribute to maintaining or improving core fuel sector resilience.

In this consultation we touch on how data should be submitted to the Department; however, we recognise the importance of compatible templates and instructions and in future will explore enhancing our methods in keeping with advances in data processing and analysis. Your insights will help us identify how we might be able to improve the ease of reporting.

We would also like to provide clarity regarding the time limits and frequency for providing specific sets of data to ensure timely provision of information. In this consultation, we aim to outline the regularity of data provision and in future will seek to understand how the frequency and amount of detail requested could adapt during fuel disruptions or response scenarios. Your feedback will help create a flexible yet reliable data collection framework.

The information we seek to collect, whom we seek to collect these from, and the frequency of collection are:

- Reporting of production, supply and infrastructure capacity- This is to be provided by refineries, terminals, importers, pipelines, renewable transport fuel producers and airport tank farms. We aim to collect this on an annual basis. Further information is set out below.
- Wet stock management data and inventory at forecourts- This is to be provided by wetstock management companies on a daily basis. In the event of an emergency, the Department can collect inventory data from forecourts that do not have wetstock management services. Further information is set out below.
- Haulier information- This is to be provided by hauliers carrying out core fuel activities. We aim to collect this information on an annual basis. Further information below.

Reporting of production, supply and infrastructure capacity

Our primary focus is on streamlining the reporting of production, supply, and infrastructure capacity data. This information, previously collected on an ad hoc basis in 2014-15 and 2018-19, **is now proposed to be reported annually**⁶. This enhanced frequency ensures that our data remains current and relevant to the rapidly evolving energy landscape. The data collected will encompass a range of critical components, including infrastructure details and average volumes supplied through various routes. This information will serve as the cornerstone of our resilience studies and impact assessments, and guiding our energy resilience strategy.

We propose that this information should be provided by **refineries, terminals, importers, pipelines, renewable transport fuel producers and airport tank farms**, where the capacity of a facility is in excess of 1,000 tonnes. Information from these core fuel sector participants is pertinent in ensuring the Government has an accurate overarching view of the sector as a whole and can identify potential risk to disruption to ensure resilience and continuity of supply. We propose to collect the following information from refineries, terminals, importers, pipelines, renewable transport fuel producers and airport tank farms, or a more limited group where indicated below:

- Contact details and location - for identification purposes to ensure we have the latest contact details should we need to contact the site in question.
- Operating hours, site diagram and infrastructure summary - to understand key background information relating to the operation of site in question, which may be useful in potential periods of disruption.
- Storage capacities – to understand how much stock is available in potential periods of disruption.
- Fuel supply feed – to understand where supply is coming from and how it is delivered, to identify implications of periods of disruption in other locations or supply routes.
- Ship/rail/road/pipeline receipt capability (to be provided by refineries, terminals, importers, airport tank farms and renewable transport fuel producers) - to understand where supply is coming from and how it is transported, to identify implications of periods of disruption in other locations and supply routes, and the ability of the site in question to source alternative supply should one or more transport methods be disrupted.
- Road/pipeline/rail/ship on ward supply capability (to be provided by refineries, terminals, importers) – to understand how fuel is distributed, to identify implications of potential disruption at the site in question and the site's ability to distribute fuel should one or more distribution methods be impacted.
- Scheduled maintenance work - to anticipate any potential threat to fuel supply and to mitigate against any supply shortages.

⁶ We previously proposed this in 2017. "Downstream oil supply resilience: proposals to strengthen the resilience of fuel supply to UK consumers. <https://www.gov.uk/government/consultations/downstream-oil-supply-resilience>

- Electricity supply and backup generation requirements - to ensure resilience measures are in place in the event of a national power outage.
- Fuel demand (annual, average daily and peak day) - to have an accurate and up to date view on average supply/distribution volumes and the ability to increase these volumes, which may be useful in potential periods of disruption.

The collected data would be employed to achieve several key objectives:

- Resilience Studies: The data will inform comprehensive resilience studies aimed at identifying critical points, vulnerabilities and opportunities for strengthening our energy supply.
- Impact Assessments: The resilience study will underpin our ability to produce timely and effective impact assessments in the event of disruption risks, enabling proactive responses.

We propose the Regulations will require relevant participants to provide data electronically. Initially, we may keep templates and data collection methods as they were in previous data collections (i.e. collecting the data using Microsoft Excel) but will seek to identify where improvements can be made to refine the data collection process in future, with the aim of making it easier for industry to provide data.

Questions

1. **What is your view on the proposed annual reporting process for this information?**
2. **What is your view on the proposed information to be collected?**
3. **Do you see any issues with annual reporting in terms of cost, accuracy, or granularity of providing data?**
4. **How easy is it to collect this information and how long do you estimate it will take to gather the information?**
5. **Are there any specific data elements that you believe are crucial to include in the reporting of production, supply, and infrastructure capacity?**

Wetstock management data and forecourts

The Department already collects information from some wetstock management companies to monitor the inventory of fuels at forecourts. The wetstock management data is collected **on a daily basis. This will remain unchanged.**

Access to these data allows the Government to understand stock levels and supply and demand dynamics. This allows us to identify systemic issues with fuel supply and consumer behaviour and track the course of disruptions to fuel supply in real time. The Department's current access to this data is limited by the commercial agreements it has reached with current market participants. It is estimated that the data currently collected and processed covers around 55 to 60 per cent of total filling stations in the UK, and over 80 per cent of typical fuel sales as the sample includes a greater proportion of larger forecourts.

While the existing arrangements for wetstock management data will remain largely unchanged, the new regulation will allow us to capture the information from owners who declined to allow the wetstock management companies to make all their site data available to the Government. This expansion aims to provide a more comprehensive view of wetstock data, contributing to a more accurate analysis of industry trends and fuel consumption patterns.

As described above, the data currently collected and processed by the principal wetstock management companies is estimated to cover some 55 to 60 per cent of forecourts and over 80 per cent of typical fuel sales. This provides the Government with a good indication of national and regional availability of fuel. However, during the issues with the supply chain and elevated consumer demand in autumn 2021, it was suggested by some stakeholders that the sample under-represented smaller independent forecourt owners.

Section 276 would also allow us to fill this gap by compelling all forecourts to provide these data **if needed in case of an emergency**, including those who have not signed up to a wetstock management service. We recognize, however, that small independent forecourts may not have the infrastructure nor a positive business case to use automated wetstock management solutions. To avoid imposing undue costs and administrative burdens on these participants, we do not intend that the regulations will establish a new reporting requirement for these forecourts unless there is an exceptional basis for this. We would like to take views on whether such a reporting scheme could be a proportionate undertaking in future.

We propose the Regulations will require relevant wetstock managers to provide data electronically. We do not envisage any major changes to the format in which this electronic data is provided from that used for wetstock management data currently, however, we might seek to alter the format to streamline our analytical processes.

Questions:

- 6. What are the reasons that forecourts do or do not subscribe to wetstock management companies?**
- 7. For independent forecourts over the 1,000 tonne threshold in s276, which lack wetstock management facilities, what feasible reporting alternatives can be developed that provide relevant insights without imposing excessive costs and administrative burdens?**

Haulier information

The Department currently carries out an annual voluntary haulier survey between the months of August and September aimed at hauliers carry out core fuel activities that meet the threshold set out in legislation. The information currently collected plays a vital role in assessing the operational capacity, health of the fleet, and potential vulnerabilities in the transportation network for the supply of core fuels.

This data is collected **annually** and offers insight such as evaluating the robustness of the haulier network, predicting potential vulnerabilities, and proactively managing disruptions. We propose that this information should be collected annually under Regulations under section 276 of the Energy Act, to ensure necessary information is provided due to limited returns under the current voluntary system.

The data is utilised in scenarios of short-term perturbations, singular asset failures, and issues affecting significant individual supply contracts. The Department asks for a granular data breakdown, as outlined below, to gauge the potential impact of various contingencies, including the possibility of strikes. This approach enables the assessment of the repercussions of possible disruptions and allows the decision-making including the strategic redistribution of trucks if necessary and allows the department to carry out an impact assessment to make contingency plans. It also allows decision making relating to the use of the RTF and an understanding of military driver requirements informs decisions on utilising Operation ESCALIN.

We propose the Regulations will require hauliers who meet the threshold (see page [4]) to provide data electronically. Initially, we may keep templates and data collection methods as they were in previous data collections (i.e. collecting the data using Microsoft Excel) but will seek to identify where improvements can be made to refine the data collection process in future, with the aim of making it easier for industry to provide data.

We propose to continue collecting the following information by requiring it to be provided under the proposed regulations, in order to understand the operation capacity and transportation network for core fuel resilience:

- Number of drivers at each location (on site, offsite)
- Number of trucks at each location (on site, offsite)
- Number of truckloads per day lifting from each location
- Average load per truck lifting from each location
- Daily product volumes lifted from each location
- Supply destination
- Alternative terminals
- Military driver and truck number requirements at each location (on site, offsite)
- Offsite location details

Questions:

- 8. What are your views on the proposed categories of information?**
- 9. Is there any additional information, beyond the categories outlined above, that would improve the completeness of the data you provide and give a better overall picture of your operation?**
- 10. Is the current annual data collection timeframe in August and return deadline in September suitable for the industry's operational dynamics?**
- 11. Are there any challenges with this timeline?**

Data Handling

Our primary objective is to ensure that the gathered data remains secure and confidential while adhering to relevant classification policies and governmental standards. We will store data and information received under these powers securely and in accordance with the prevailing central government standards, for example in secure premises and on secure IT systems and take all reasonable security precautions to prevent unauthorised disclosure of any information, which includes but is not limited to:

- Maintaining a record of the chain of custody of the information prior to uploading the data to the department's information systems.
- Ensuring that access to the information is restricted to authorised users only, which could include authorised users in Other Government Departments.

We will only hold the information while there is a business need to keep it.

Failure to provide information at specified intervals

As with other instances of non-compliance with the core fuel sector resilience regime, it is proposed that it will be an offence to fail to comply, without reasonable excuse, with the requirements to be imposed by the Regulations.

It is proposed that offences under the Regulations will be “either-way offences”, meaning they may be tried either summarily or on indictment. It is proposed that the Regulations would provide for an offence under the Regulations to be punishable by imprisonment or a fine or both, with the terms of imprisonment being up to the following:

- On summary conviction in England and Wales, the general limit in a magistrate’s court, currently 6 months (for a single offence);
- On summary conviction in Scotland, up to 12 months;
- On summary conviction in Northern Ireland, up to 6 months;
- On conviction on indictment (in the Crown Court), up to 2 years.

The Regulations would provide that a fine imposed on summary conviction in Scotland or Northern Ireland could not exceed the applicable statutory maximum. There is no statutory limit on the maximum fine allowed on indictment, or on summary conviction in England and Wales. Should a fine be imposed, the court would determine the amount, considering the specific offence and its severity, and how much the offender could pay.

The provisions as to maximum prison terms and fines for offences under the Regulations are intended to be consistent with other offences relating to requirements to provide information under the core fuel sector resilience regime, as the requirements under the Regulations are also to maintain or improve core fuel sector resilience.

The provisions of Part 12 of the Energy Act relating to offences would also apply to an offence under the Regulations. In particular, criminal proceedings, to prosecute this offence could not be brought without the consent of the Secretary of State or Director of Public Prosecutions (in England and Wales, or in Northern Ireland, the Secretary of State or Director of Public Prosecutions for Northern Ireland).

Where an offence under the Regulations is committed by a body corporate, certain officers would also commit the offence and may be the subject of enforcement action if the offence was committed with their consent or connivance or is attributable to their neglect.

An enforcement undertaking may also be accepted by the Secretary of State in respect of an offence under the Regulations.

In cases where non-compliance occurs, the Department may work with the responsible person to mediate a resolution in the first instance but would take a form of enforcement action where necessary. Prosecution will be considered as last resort.

A consultation seeking stakeholder’s views on the draft statutory guidance on Criminal and Civil Sanctions and the draft procedure on entering into enforcement undertakings can be found at: <https://energygovuk.citizenspace.com/energy-security/core-fuel-resilience-measures->

[breaches-sanctions](#). The draft guidance sets out further detail on measures in the event of non-compliance.

Questions

- 12. Do you have any views on the proposed details of offences for failure to comply with requirements under the Regulations to provide information at specified intervals?**
- 13. Do you have any other comments on the proposals set out in this document?**

Impact assessment

A regulatory impact assessment was published in July 2022⁷, which estimated the impacts of introducing a power to request additional information from core fuel participants to provide data on their relevant activities and assets. The preferred option included monthly, quarterly, and annual surveys; provision of Daily Forecourt Wet Stock management data; and other data provisions. Impacts on renewable transport fuel producers were not included in this impact assessment, however, it is expected that this inclusion would have a minimal effect on the overall costs and benefits. The expected impacts published in the 2022 impact assessment for the primary legislation also cover the expected impacts of the proposals included in this consultation^{8,9} and therefore government does not consider it proportionate to update this assessment.

The impact assessment estimated¹⁰ a total Net Present Value of £24.4m¹¹ and total present value costs of £0.3m between 2023 and 2032 for the information and data reporting measure.

The main benefits arise from reductions in the likelihood of disruption, volumes affected by a disruption, and/or the duration of a disruption. These result from government's improved capacity to identify potential supply outages and target emergency response measures. This could reduce the duration of a consumer disruption event¹² in the downstream oil sector by up to one day. Given the uncertainties, the impact assessment used a best estimate of a half-day impact.

The calculated compliance costs combine estimates of the time taken to complete similar existing surveys with estimates of the opportunity cost associated with that time. Table 1 outlines these costs and benefits in more detail.

Table 1: Summary of costs and benefits of the Preferred Option (£m, 2020 Prices, 2022 present value, discounted, appraisal horizon 2023-2032):

| | Familiarisation costs | Total costs to industry (inc. familiarisation) | Benefits to society |
|---------------------------------------|-----------------------|--|---------------------|
| Information and data reporting | 0.02 | 0.3 | 24.7 ¹³ |
| Net Benefit (NPV) | Central | | 24.4 |

⁷ Annex 3.3 - Downstream oil resilience impact assessment:

<https://bills.parliament.uk/publications/47261/documents/2122>

⁸ In line with Better Regulation Framework guidance paragraph 10.18:

https://assets.publishing.service.gov.uk/media/65420ee8d36c91000d935b58/Better_Regulation_Framework_guidance.pdf.

⁹ We would expect minor changes to discounted estimates, due to an updated present value base year. However, this would not change the value-for-money conclusions of the impact assessment.

¹⁰ Net Present Value and total present value costs are provided in 2020 prices and 2022 present value.

¹¹ The original IA also presented the NPV in 2019 prices and 2020 present value, at £21.5m.

¹² Where there is not enough spare capacity in the sector to cover the supply shortfall, leading to a market disruption.

¹³ The benefits have been estimated from the conservative end of the range.

The duty to provide information at specified intervals will produce direct benefits to businesses in the downstream oil sector in terms of continued sales, which would otherwise have been lost by a disruption. Benefits will also arise from improving the effective enforcement of the other regulations being introduced into the sector.

Other options considered as part of the core fuel sector resilience measures included full regulation of the downstream oil sector comparable to the gas and electricity sectors and voluntary action. Full regulation of the downstream oil sector would include a licensing regime and a new regulatory body to enforce standards and mandate resilience solutions. However, the underlying economic rationale is missing for such an intervention because there is no natural monopoly existing in the downstream oil sector. With voluntary action, several companies did report that they would comply with regulation but would not provide information to monitor supply resilience. Additionally, we found that stakeholders were reluctant to incur additional costs voluntarily due to strong competition. A lack of collective action across the sector would prevent government from systematically identifying critical points, developing contingency plans, or supporting decision making during an emergency.

The 2022 impact assessment also undertook sensitivity analysis which suggests that even the most cautious estimates of benefits result in a positive NPV. Even if better information reduces the duration of a disruption by only a fraction of a day, the benefits remain higher than the annual costs.

Next steps

Once this consultation closes, we will review all responses and publish an overview of responses along with the Department's comments on www.gov.uk.

This consultation is available from: www.gov.uk/government/consultations/core-fuel-sector-resilience-provision-of-information-at-specified-intervals

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