



Department for
Energy Security
& Net Zero

Government response to consultation on the proposal to make regulations requiring provision of information at specified intervals

Energy Act 2023 - Part 12 Core Fuel Sector
Resilience measures



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

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Consultation outcome

Core fuel sector resilience measures: provision of information at specified intervals consultation

Published 26 September 2024

Executive summary

1. The downstream oil sector plays a key role in UK energy security, supplying products that are vital to our economy and our way of life. In particular, petroleum-based fuels provided 93% of the energy for the transport sector in 2023¹. Furthermore, the sector estimates it supports the employment of over 100,000 people².
2. As part of the Energy Act 2023, the core fuel sector resilience measures provide government with the necessary tools to protect against fuel supply disruptions during the transition to a net zero emissions economy. The measures 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.
3. The proposed regulations would require certain core fuel sector participants and relevant wetstock managers that fall under the statutory duty to provide regular information of 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 intervals. The aim of the proposed regulations is to maintain or improve core fuel sector resilience, and in particular to collect regular and accurate information in order to identify potential vulnerabilities and ensure a rapid response to any emerging threats to fuel supply continuity.

Consultation process

4. On 13 May 2024, the Department for Energy Security and Net Zero published an 8-week consultation on the proposed provision to collect information at specified intervals. The purpose of the consultation was to collect views from various parts of the downstream oil sector on the proposed structure and method of collecting regular information in order to ensure the implemented process is as easy and streamlined as possible for the relevant core fuel sector participants that are required to report.
5. As many organisations as possible across the supply chain were encouraged to participate and make their views known by writing directly to companies and relevant trade associations to ensure this information was cascaded appropriately. Further encouragement was provided during individual and forum meetings between government and industry.
6. The consultation asked for views on:

Reporting of production, supply and infrastructure capacity: proposed process, method of reporting, cost, frequency and timing of reporting data.

¹ [Digest of UK Energy Statistics, Aggregate energy balances \(DUKES 1.1\)](#)

² <https://www.fuelsindustryuk.org/downstream-sector/economic-contribution-of-the-uk-downstream-oil-sector/>

Wetstock management data and forecourts: detail of wetstock management subscriptions and the potential costs and administrative implications related to reporting without wetstock management membership.

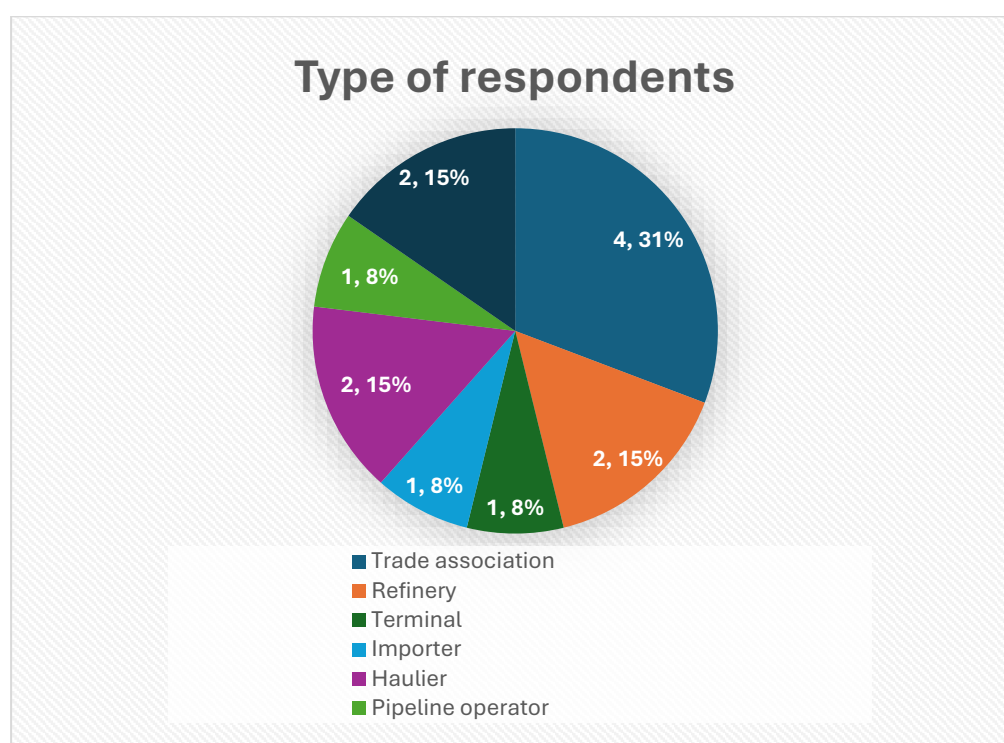
Haulier information: proposed process for hauliers, including timeline and potential challenges.

Failure to provide information at specified intervals: proposed details of offences related to the proposed measures.

7. This government response document outlines the consultation position, a high-level summary of the responses to the consultation, and the government response.

Participation summary

8. The total number of respondents was 13. The consultation was made up of qualitative questions pertaining to the relevant section in the consultation document.
9. Individuals and organisations were able to respond to the consultation via Citizen Space, an online survey through GOV.UK. There was a further option to respond to the consultation through a form which could be downloaded from GOV.UK and sent to the Department via email. The majority of responses were received via email.
10. Not all respondents answered all the questions. Given some sections of the consultation were aimed at certain groups in the sector, this was expected.
11. A range of responses from various stakeholders across the supply chain were received. We received no response from members of the public. The responses are broken down into the following categories by the type of respondent and the number of responses received. These were responses received both by email and via Citizen Space.



Summary of key policy decisions

12. As a result of this consultation, the Department for Energy Security and Net Zero have noted the following:

Reporting process: The Government has considered the concerns related to the burden placed on industry to report data into the Department. The level of reporting proposed in the consultation is considered to meet the balance between the administrative burden on industry to report data compared with the value of that information in supporting a Government response. Whilst the scope and structure of reporting will remain largely the same as stated in the consultation document, the Government will continue to explore ways to minimise the administrative burden of the collection process and request the appropriate amount of data. The Department for Energy Security and Net Zero will work with other teams across Government to minimise duplication and avoid redundant reporting.

Data handling: All data and information collected under the Energy Act 2023 powers will be held securely by the Department for Energy Security and Net Zero in accordance with the prevailing central government standards. Data collected will be held 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.

Guidance: The Government aims to ensure that the annual reporting process is clear and understood by the relevant core fuel sector participants that are under the statutory obligation to provide information at specified intervals. The Government will provide guidance embedded throughout the data collection templates, breaking them down into clear and distinct sections. Officials in the Department will be available to be contacted to answer any questions or concerns, with contact information included in the data collection templates.

Impact Assessment: Concerns regarding the underlying Impact Assessment³ analysis have been noted and considered. The key benefit of the measure is the reduced risk of a loss of fuel supplies for consumers (e.g. for transport purposes) and those who consume oil-intensive goods and services. Petroleum products are essential for UK economic activities, and an indicative monetised impact of disruption has been estimated using a stylised approach based on oil to Gross Value Added (GVA) intensity ratios and adjusted by the annual risk of failure. The analytical framework to assess the economic impacts of a disruption is based on the methodology that Deloitte developed in their "Downstream oil – short term resilience and longer-term security of supply" report⁴, which has been refined following feedback from stakeholders provided during the 2017 consultation on proposals to

³ Annex 3.3 - Downstream oil resilience impact assessment:
<https://bills.parliament.uk/publications/47261/documents/2122>

⁴ <https://www.gov.uk/government/publications/downstream-oil-short-term-resilience-and-longer-term-security-of-supply>

strengthen the Resilience of fuel supply to UK consumers^{5,6}. When calculating the scale of monetised impact of supply disruption, Government considered many uncertainties such as scale, duration and frequency of supply disruptions as well as the degree of substitutability and developed high and low estimates based on the most conservative end of the range of benefits - aimed primarily at illustrating how benefits are likely to be a multiple of the costs under all plausible scenarios. There is a balance between the administrative burden on industry and Government to report and analyse data versus the value of that information in supporting a Government response. The level of reporting proposed in the consultation is considered to meet this balance. Government will continue to work closely with industry stakeholders to explore ways of minimising the administrative burden involved in collecting the data necessary for maintaining sector resilience.

Summary of responses

Question 1: What is your view on the proposed annual reporting process for this information?

Summary of responses

13. There were 10 responses to this question. The majority of respondents were supportive of the proposed annual reporting process as set out in the consultation document and acknowledged the importance of the requirement in ensuring resilience and security of supply in the sector.
14. Some respondents, however, had concerns regarding the potential administrative burden that an annual reporting process would have on the industry, as well as a potential duplication effort with regards to commitments to other data collections. It was suggested that the data collection process should be streamlined and coordinated appropriately and proportionately, ensuring all requests are relevant to the aim of resilience and security of supply.
15. There were further requests for clarity on specific data sets and the timelines and flexibility of deadlines.

Government response

16. Government acknowledges the concerns industry have raised regarding the administrative burden that providing data can place on current processes. Government already collects data on a voluntary basis and will continue to engage with industry to ensure a streamlined process is developed where data is already being provided to the Department and, where possible, that industry are able to incorporate the annual report into their corporate outputs.
17. Further clarification on timelines will be provided closer to the roll out of this provision, and we intend on providing notification in advance of data collections taking place so that plans can be made, as well as a window for data returns to be provided.

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https://assets.publishing.service.gov.uk/media/5a82cbb040f0b62305b9462f/Downstream_oil_consultation_document.pdf

⁶ https://assets.publishing.service.gov.uk/media/5ad5bac440f0b617df335b13/FINAL_-_Government_response_-_downstream_oil_supply_resilience_consultation.pdf

18. Where there is clear and valid reason for not meeting deadlines, we will try to accommodate this.

Question 2: What is your view on the proposed information to be collected?

Summary of responses

19. There were 11 responses to this question. The majority of respondents expressed the view that some of the information requested by the Department is highly technical and commercially sensitive, and they were unclear about the rationale and necessity for collecting it.
20. Respondents also mentioned that although most proposed information categories will be relatively straightforward to provide, there are some other categories that may be more challenging. Some of this has been attributed to a requirement for more clarity regarding some information categories whereas others have mentioned that it may be unfeasible to provide certain data sets depending on the level of detail needed. There were some specific concerns around Joint Venture companies and potential competition issues among shareholders.
21. Some respondents noted a duplication around reporting planned maintenance as part of an annual report as well as the duty to report incidents under section 274 of the Energy Act 2023.
22. Respondents requested further clarity on several specific information categories and terms.

Government response

23. The Government acknowledges the concerns regarding the commercially sensitive nature of the data collection and assure that all data collected will remain secure and confidential, adhering to the relevant classification policies and governmental standards.
24. The data is intended to draw out average throughputs and outputs to understand the resilience of downstream oil sector assets. Access to this information would be restricted to authorised users only, which includes authorised users in the Department for Energy Security and Net Zero and could include authorised users in Other Government Departments. Information would only be used to strengthen knowledge of the sector for the purposes of ensuring resilience and security of supply. Government will appropriately protect the relevant information and preserve confidentiality.
25. The Government has considered the feasibility concerns raised by respondents and aims to work with industry to collect only data that can be accurately provided.
26. The Government intends to protect reasonable internal data protection protocols within joint ventures and will work with industry to clarify the structure of who should be reporting.
27. The Government remains committed to work closely with the industry to refine the data collection process over time, maintaining the security and confidentiality of all collected data, and making the process as transparent and straightforward as possible.

28. With regards to reporting planned maintenance, government encourages industry to continue to report this information under section 274 of the Energy Act 2023. The annual reporting function will likely ask for typical volumes supplied to/or distributed from sites, and highlighting planned maintenance will only need to be relevant if these volumes are expected to be changed significantly over the following year.
29. Any suggestions on further clarification of information categories and terms will be considered individually.

Question 3: Do you see any issues with annual reporting in terms of cost, accuracy, or granularity of providing data?

Summary of responses

30. There were 8 responses to this question. Many of the respondents were satisfied with the format and timelines as set out and provided assurances that much of the information requested is already collected and readily available. It was agreed that a standardised information reporting framework is vital to minimise any administrative burden and make reporting an easy process to follow.
31. Some respondents highlighted, however, that further consideration is needed for more complex business models in the industry and that a proportionate approach must be taken. As with the previous question, further clarification on the type of data requested and the use of the data is needed.

Government response

32. The Government notes the general satisfaction with the format and timelines of data collection and that a standardised approach must be taken to ensure ease for all parties involved.
33. The Government acknowledges, however, that not all data requested is feasible for every company given the complexities of both specific business models and the industry as a whole. Careful consideration will be given to ensure that data requested is proportionate to each business type, to address any concerns related to the reporting process or the requested data. Detailed guidelines will also be embedded within the data collection templates. The data will be used by Government to understand how fuel flows into and around the UK, to understand critical supply points and connections between them, enabling Government to have an overarching picture to help ensure resilience and security of supply within the downstream oil sector.

Question 4: How easy is it to collect this information and how long do you estimate it will take to gather the information?

Summary of responses

34. There were 8 responses to this question. The majority of respondents shared the view that the information request could be met at relatively short notice, with a number of respondents mentioning that the collection of data is readily available. A minority of respondents mentioned that although some of the information is readily available, some information would take more time to obtain and new processes and models would have to be implemented, requiring more time to produce.

35. Some respondents raised concerns that parts of their infrastructure are managed by third parties with varied products and customers therefore there will be issues collecting data on capacity.

Government response

36. The Government has noted that in the first-year, operators may need to put in place data collection processes and protocols that may take time to implement, familiarise and have the resources in place to collect some of the data requested. Government will take this into consideration when launching the first request for data in the first year and endeavour to work with industry to facilitate this.
37. Where there are third parties involved, government will work with operators where necessary to understand some of the challenges that might arise when collecting data.

Question 5: Are there any specific data elements that you believe are crucial to include in the reporting of production, supply, and infrastructure capacity?

Summary of responses

38. There were 8 responses to this question. Some of the respondents made suggestions of data elements that could be included in reporting of production, supply and infrastructure capacity.

Government response

39. The Government does not intend to make any significant additions to the data requested of operators in the immediate future but will consider any suggestions that were put forward.

Question 6: What are the reasons that forecourts do or do not subscribe to wetstock management companies?

Summary of responses

40. There were 6 responses to this question. Of these, one cited forecourts serving 'hyper-localised' customer bases that saw no commercial benefit in subscribing to the service. The remaining respondents did not provide views.

Government response

41. The Government has noted the reasons raised by respondents and will take them into account.

Question 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?

Summary of responses

42. There were 6 responses to this question. Respondents raised the manual element of data collection, or the potential to develop a separate electronic system that would better suit a wider scope of retailers. Including trade associations as a facilitator was also a further suggestion.

Government response

43. The Government has noted the suggestions raised by respondents and will take them into account.

Question 8: What are your views on the proposed categories of information?

Summary of responses

44. There were 5 responses to this question. Of these, some suggested that some of the information provided may be provisional in nature as operators are beholden to the decisions of clients.

Government response

45. The Government do not intend to amend the overarching categories of information following the consultation. It has been noted that some of the information provided may be provisional in nature and where necessary, we will work with operators to whom this applies to understand the information provided.

Question 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?

Summary of responses

46. There were 5 responses to this question. One responded suggested providing information on the capability in terms of drivers/tractors and tankers by product stream, specifically the number of tankers dedicated to moving ethanol or aviation fuels.

Government response

47. Government has noted suggestions that were put forward and will consider adjusting the underlying breakdowns based on what industry is able to provide and how we intend to use the data.

Question 10: Is the current annual data collection timeframe in August and return deadline in September suitable for the industry's operational dynamics?

Summary of responses

48. There were 6 responses to this question. Two of the 6 respondents confirmed they had no issues with the proposed timelines and agreed they were suitable, and the remaining provided no specific comments.

49. A reminder would be useful.

Government response

50. Government intend to continue with the current annual data collection time frame, sending out reminders where necessary to ensure submission dates are met.

Question 11: Are there any challenges with this timeline?

Summary of responses

51. There were 6 responses to this question. From these responses, the only challenge raised around the proposed timeline was the potential reduction in resources as a result of the summer holiday period which may pose difficulties in data collecting.

Government response

52. We will consider shifting timelines so that the collection period begins in September with a deadline in October. Government will take into consideration any challenges meeting the deadline and, where there is a clear rationale for delays, will try to be as flexible as possible to accommodate this. Industry is encouraged to contact the Downstream Oil Resilience team in instances where data is not able to be submitted on time.

Question 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?

Summary of responses

53. There were 9 responses to this question. A number of respondents were concerned that criminal offences are linked to the failure to comply with the regulations as proposed and noted financial sanctions as a more appropriate measure.

54. A need for further assurance in guidance that criminal sanctions will only be used in exceptional circumstances is imperative and further clarification around the maximum fine should be considered.

Government response

55. The Government acknowledges the concerns raised about the risk of criminal sanctions. However, it is important to note that the Energy Act 2023 mandates criminal sanctions for certain offences that are created under the Act.

56. Criminal sanctions are a necessary component of the framework to ensure the highest levels of compliance within the core fuel sector. They serve as a crucial deterrent against egregious or repeated non-compliance. Government emphasises that prosecution will be pursued only as a last resort and in cases where non-compliance poses significant risks.

57. Government's primary approach will be to work collaboratively with industry stakeholders to achieve compliance through guidance, warning letters, and civil sanctions such as enforcement undertakings wherever possible. By prioritising these measures, Government aims to support the industry in meeting its obligations without the need to resort to criminal prosecution.

58. Government will support individuals and organisations in meeting their obligations and assure all stakeholders that enforcement actions will be proportionate and transparent.

Question 13. Do you have any other comments on the proposals set out in this document?

Summary of responses

59. There were 8 responses to this question. A number of respondents referenced the Impact Assessment under this question in the consultation, and raised concerns regarding the accuracy of the analysis and the relevancy of the estimated values in relation to both the cost of provision of reporting data and the benefits which are associated with reducing the economic impact of lost supply.

60. There were further concerns surrounding the ‘total cost’ in the Impact Assessment, stating that it does not include both the time spent collecting and reporting information and the resource needed to collect information that is outside scope of what is currently collected.

Government response

61. The Government notes industry’s concerns with the accuracy of the Impact Assessment. The key benefit of the measure is the reduced risk of a loss of fuel supplies for consumers (e.g. for transport purposes) and those who consume oil-intensive goods and services. Petroleum products are essential for UK economic activities, and an indicative monetised impact of disruption has been estimated using a stylised approach based on oil to GVA intensity ratios and adjusted by the annual risk of failure. The analytical framework to assess the economic impacts of a disruption is based on the methodology that Deloitte developed in their “Downstream oil – short term resilience and longer-term security of supply” report⁷, which has been refined following feedback from stakeholders provided during the 2017 consultation on proposals to strengthen the Resilience of fuel supply to UK consumers^{8,9}. When calculating the scale of monetised impact of supply disruption, Government considered many uncertainties such as scale, duration and frequency of supply disruptions as well as the degree of substitutability and developed high and low estimates based on the most conservative end of the range of benefits. The sensitivity testing demonstrates that even in the low scenario (which may underestimate the economic impact) the benefit to cost ratio is substantially in favour of the proposed measures.
62. There is a balance between the administrative burden on industry and Government to report and analyse data versus the value of that information in supporting a Government response. The level of reporting proposed in the consultation is considered to meet this balance. The Government would like to emphasise that we will continue to explore ways to minimise the administrative burden of the collection process and request the appropriate amount of data needed to ensure resilience and security of supply within the downstream oil sector. Government will take a pragmatic and proportionate approach, thoroughly considering cost implications, and will endeavour to implement streamlined processes and efficient technologies to make data collection as easy and cost effective as possible for industry.
63. It is important to note that the information collected will be used to provide a holistic view of the sector which will assist government in producing accurate impact assessments and reports which will feed into the contingency planning for potential risks of supply disruptions. This will enable Government to respond more quickly should a supply disruption occur and coordinate a response more effectively. Having annual data provided by all parts of the sector will enable the Department for Energy

⁷ <https://www.gov.uk/government/publications/downstream-oil-short-term-resilience-and-longer-term-security-of-supply>

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https://assets.publishing.service.gov.uk/media/5a82cbb040f0b62305b9462f/Downstream_oil_consultation_document.pdf

⁹ https://assets.publishing.service.gov.uk/media/5ad5bac440f0b617df335b13/FINAL_-_Government_response_-_downstream_oil_supply_resilience_consultation.pdf

Security and Net Zero to validate the assumptions and methodologies when responding to emergencies.

Conclusion

64. The Government extends its thanks to all those that took the time to respond to this consultation, and appreciates the valuable feedback and insights provided by all respondents.
65. It is the Government's intention to address all the suggestions and concerns raised in this consultation to ensure that the data collection process is efficient and minimises any administrative or financial burden. The Government will continue to engage with stakeholders to refine this approach and ensure that it is fair and proportionate to the various business structures in the sector and that all data is handled with the upmost confidentiality and security. Clear guidance as to the data required will be developed and embedded into the request process and any further suggestions or concerns are welcomed by the Department.

Next steps

66. The Government will reflect on the comments and concerns that respondents have made with regards to the proposed provision of collecting information at specified intervals and will look to develop a set of data templates that endeavours to provide further clarity on some of the data collection requests and incorporates the commitments made in this response. The Government will continue to work collaboratively with industry to ensure that the implementation of this process is as easy and streamlined as possible and any concerns that arise are addressed accordingly.