

Definitions and rationale

1. Most waste oil is produced through use as engine and transmission lubrication in industrial, commercial and private motor vehicles and plant machinery. Waste oil, if mismanaged, has potential to cause severe harm to the environment. The Hazardous Waste Forum recognised the importance of waste oil as a hazardous waste stream, and noted in its Action Plan that implementation of the Waste Incineration Directive (WID) would have an impact on end users of waste oil.

2. Implementation of the Waste Incineration Directive has led to changes to the controls on plant combusting waste oil, and a switch in the end-users. Research conducted by Defra also showed that the impact of WID would affect the price of waste oil, and in some cases might lead to a charge being levied for its collection from garages and other small businesses. Partly as a result of the impacts of WID, some suppliers and users of waste oil have sought to question its status as waste, when it has been through a form of processing. All these factors have created some uncertainty in the market and instability in the collection regime.

Arisings, trends and projections

3. Around 1 million tonnes of oily wastes are collected each year,¹ representing 20% of all hazardous waste arisings. After processing to remove water and solids, 350,000 tonnes of waste oil remains.² This represents some 80% of collectable oil, which is one of the highest collection rates in Europe.

4. The amount of waste oil produced has remained relatively stable over the past five years, and is expected to remain so, although there may be a general decline in arisings as the technology for longer lasting oil, and longer periods between oil changes develop.

Management routes

5. Until the end of 2005, most of the waste oil collected was processed to a limited degree to make recovered fuel oil (RFO), 50% of which was burned in seven power stations as start-up fuel and 50% in some 125 roadstone coating plants which are used to dry roadstone in small quarries. Each sector paid about 9p/litre for the RFO. On this basis the oil collectors collected from garages and industry free of charge.

6. With the application of WID to existing plant from 28 December 2005, both sectors largely chose not, or were unable, to upgrade plant to meet WID requirements. Power stations have stopped their use of RFO and have converted to alternative fuels.

7. New users of waste oil are available, but they may not be prepared to pay as much for waste oil. The steel sector is taking large quantities of RFO for use as a reductant. One plant has potential to receive 200,000 tonnes of RFO per annum (approximately 50% of the market total), and cement and lime kilns can take waste oil in compliance with WID. Waste oil can also be exported for recovery or recycling – especially in the EU. Re-refining in the UK remains a possibility, and companies are already taking steps to set up plant.

¹ Environment Agency SWaT database. See http://www.environment-agency.gov.uk/commoddata/103601/hazwasteew_1393138.xls for further information.

² Data compiled from industry sale and collection figures.

Policies and targets

8. The current Waste Oil Directive requires Member States to give priority to the regeneration of waste oil above burning. However, the Directive is currently subject to review, and the Commission has proposed its repeal. A requirement to ensure collection and safe management of waste oil is likely to be retained, and it is conceivable, though unlikely, that requirements on Member States to take measures to promote regeneration of waste oil will be reinserted.

9. In the UK, companies are seeking to reinvest in oil regeneration technology, and as such they will be seeking a swift resolution to the uncertainties relating to the status of processed oil as waste. Given that waste oil is likely to be regenerated in the UK in the near future, there is little enthusiasm for additional policy instruments to be put in place, such as a producer responsibility scheme, from the waste oil collectors and lubricant manufacturers and blenders, or from the representatives of the oil industry itself. There is some support from other stakeholders, particularly from local authorities, for the development of a producer responsibility scheme, and greater support for a statutory rather than voluntary scheme. Balancing these competing views, the Government could bring forward a statutory scheme, but only if the revisions to EU waste legislation require the Member States to take specific measures to give priority to regeneration of waste oil or if a decline in collection or waste oil management systems require it.

10. The Environment Agency's Oil Care Campaign,³ supported by the Government, continues to promote and improve the way in which waste oil is managed by providing information on good practice; the Environment Agency and other relevant regulators will continue to enforce the requirements of the Waste Incineration Directive.

Implementation and timescales

11. Discussions on revisions to the Waste Framework Directive and the repeal of the Waste Oil Directive are at an advanced stage. Any new legislation is not likely to be agreed before 2008, with a further two years for transposition. In the meantime, investment by industry in waste oil regeneration is likely to take place over the next five years.

Roles and responsibilities

Table C14.1: Roles and responsibilities

Stakeholder	Roles and responsibilities
Waste oil producers	Ensure waste oil is passed on to an appropriately registered waste carrier as to meet Duty of Care requirements
Waste industry	Collect and process waste oil and support Oil Care Campaign
Environment Agency	Regulate waste oil sector and support Oil Care Campaign and chair its steering group
Defra	Legislative and strategic role, particularly in relation to implementation of Waste Incineration Directive and revised Waste Framework Directive

³ See <http://www.oilbankline.org.uk/oil-care-campaign.asp> for further information.

Infrastructure and capacity needs

12. Capacity for dealing with waste oil exists. Steel plant can potentially take over 200,000 tonnes per annum. Cement kilns have a theoretical capacity to take a further 300,000 tonnes of secondary fuels, though full use of this capacity might displace other secondary fuels such as tyres. There is currently no regeneration of waste oil taking place in the UK, although the potential exists.⁴ There is a demand for waste oil from plant in the EU, and export for recovery, including regeneration remains a possibility.

References and other information

Oil Care Campaign

<http://www.oilbankline.org.uk/oil-care-campaign.asp>

⁴ See the assessment of capacity needs for hazardous waste in Annex C9 for further information.

