

## How to submit this form

# Submission form: Consultation on the Sustainable Biofuels Mandate

The Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Transport (MoT) would like your feedback on a proposal to increase the use of sustainable liquid biofuels in New Zealand to reduce greenhouse gas (GHG) emissions from transport. Please provide your feedback by **5pm, 26 July 2021**.

When completing this submission form, please provide comments and supporting explanations for your reasoning where relevant. Your feedback provides valuable information and informs decisions about the proposals.

We appreciate your time and effort taken to respond to this consultation.

## Instructions

### To make a submission you will need to:

1. Fill out your name, email address, phone number and organisation. If you are representing an organisation, please provide a brief description of your organisation and its aims, and ensure you have the authority to represent its views.
2. Fill out your responses to the discussion document questions. You can answer any or all of these questions in the [discussion document](#). Where possible, please provide us with evidence to support your views. Examples can include references to independent research or facts and figures.
3. If your submission has any confidential information:
  - i. Please state this in the email accompanying your submission, and set out clearly which parts you consider should be withheld and the grounds under the Official Information Act 1982 (Official Information Act) that you believe apply. MBIE and MoT will take such declarations into account and will consult with submitters when responding to requests under the Official Information Act.
  - ii. Indicate this on the front of your submission (e.g. the first page header may state "In Confidence"). Any confidential information should be clearly marked within the text of your submission (preferably as Microsoft Word comments).
  - iii. Note that submissions are subject to the Official Information Act and may, therefore, be released in part or full. The Privacy Act 1993 also applies.

## How to submit this form

### 4. Submit your feedback:

i. As a Microsoft Word document by email to [energymarkets@mbie.govt.nz](mailto:energymarkets@mbie.govt.nz) with the subject line: *Consultation: Sustainable Biofuels Mandate*

ii. By mailing your submission to:

Consultation: Sustainable Biofuels Mandate  
Energy Markets Policy  
Building, Resources and Markets  
Ministry of Business, Innovation and Employment  
PO Box 1473, Wellington 6140  
New Zealand

## Submitter information

### Submitter information

MBIE and MoT would appreciate if you would provide some information about yourself. If you choose to provide information in the section below, it will be used to help MBIE and MoT understand how different sectors view the Sustainable Biofuels Mandate proposal. Any information you provide will be stored securely.

#### Your name, email address, phone number and organisation

Name:

Terry Collins

Email address:

[REDACTED]

Phone number:

[REDACTED]

Withhold under section 9(2)(a)

Organisation:

New Zealand Automobile Association

- The Privacy Act 1993 applies to submissions. Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE and MoT may publish.
- MBIE and MoT may upload submissions and potentially a summary of submissions to the website(s), [www.mbie.govt.nz](http://www.mbie.govt.nz) and/or [www.transport.govt.nz](http://www.transport.govt.nz). If you do **not** want your submission or a summary of your submission to be placed on either of these websites, please tick the box and type an explanation below:

I do not want my submission placed on MBIE's website and/or MoT's website because... [insert reasoning here]

#### Please check if your submission contains confidential information

- I would like my submission (or identifiable parts of my submission) to be kept confidential, and **have stated** my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE and MoT.

## Sustainable Biofuels Mandate

### How the Sustainable Biofuels Mandate would work

1. Do you support having a GHG emissions reduction mandate?

- Yes       Yes, with changes       No       Not sure/No preference

Please explain your views.

The AA support any policy that mandates the adoption of biofuels (alternative fuels) within the limitations of current vehicle technology, cost restraints and economic and environmental impacts.

2. Do you support the proposal to require certification of lifecycle emissions of biofuels sold in New Zealand using international standards?

- Yes, I agree       I agree in part       No, I don't agree       Not sure/no preference

Please explain your views.

The determination of lifecycle emissions are key consideration when determining the CO2 reductions from their use. The use of international standards will reduce trade barriers and treat both domestically produced and imported fuels equally. The AA supports the use of independent third party certification bodies to conduct assessments as they provide the greatest assurance that the biofuels meet the required standards.

3. Do you support applying the Sustainable Biofuels Mandate to all liquid transport fuel?

- Yes, I agree       I agree in part       No, I don't agree       Not sure/no preference

Please explain your views.

Mandating that all liquid transport fuels be covered will help suppliers tailor their offerings best suited to their business needs and supply chain. The sector of transportation where the emissions reduction occurs is not as important, in the early stages, as much as the maximisation of the reductions.

4. Are the proposed initial emission reduction percentages for 2023–2025 appropriate for New Zealand? If not, what should they be?

- Yes, I agree       I agree in part       No, I don't agree       Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The AA acknowledges that it will take time to grow domestic feedstock and procure fuel from overseas markets. We support initial emission reduction targets. For the future we favour a more ambitious target and if this is the case then investments should be supported by hypothecated ETS funds. A longer term target is also recommended as it would add context to the targets set out in the first three years.

5. Do you support having single GHG emissions reduction percentages across all fuel types, or do you favour separate reduction percentages? Why and how many separate percentages would you suggest we have?

- Yes, I agree       I agree in part       No, I don't agree       Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

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Separate percentages targets for different fuels will ensure alternative fuels are available across transports sectors. This will enhance deployment in aviation, road freight, rail and coastal shipping. Diesel powered light commercial vehicles are a growing subset contributing to increased CO2 emissions. This subset is expected to keep growing. A separate diesel percentage target will ensure that biofuel is available for these vehicles which might not be the case with a single emissions reduction percentage for all fuels. A separate percentage target is also justified for diesel over petrol biofuel substitution on air pollution grounds. Diesel is dirtier and with more PPM and NOX that will be mitigated with biodiesel.

6. Do you support provisional emission reduction percentages being set for 2026–2030 and 2031–2035 with the percentages being finalised in 2024 and 2029 respectively?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

Long term targets into the future add context to short term percentage targets as they articulate where on the journey to zero emission reductions biofuels is contributing.

7. Do you support the proposal that biofuel producers must be certified against an established sustainability standard to count towards achievement of the emissions reduction percentage?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The AA strongly supports strict criteria that ensures biofuels used in New Zealand are sustainable. Certification will add robustness to the claims and the use of recognised international standards is welcomed.

8. Do you support having a joint fuel industry/government information campaign to inform New Zealanders about biofuels and the Sustainable Biofuels Mandate?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

Public information campaigns initiated and sponsored by industry and government will communicate clear information without the appearance of bias. Clear information will assist the policy of biofuel adoption and lessen concerns about its suitability for certain vehicles. Our members will welcome such information and the AA will play a part by promoting its use to our members.

9. Do you support the labelling proposal that informs consumers about specific biofuels at the point of sale?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The soon to be introduced Fuel Industry Regulations requires that retail sites display on a price board the price of each grade of petrol and diesel. This information must be visible to a person in a motor

## Sustainable Biofuels Mandate

vehicle passing by. The AA supports an amendment to these regulations to require the percentage of biofuel added to be also displayed alongside.

i.e. 95 E10 \$2.32.

Labelling is only one channel of information to consumers. Display boards either digital or printed are additional alternatives.

10. Should New Zealand try to overcome the challenges that domestic biofuel producers face in maintaining access to affordable supplies of domestically produced feedstocks? Do you have any suggestions for how this challenge could be overcome?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

[insert response here]

### How could the Sustainable Transport Biofuels Mandate be implemented?

11. Do you think the minimum threshold for compliance of 10 million litres of transport fuel in a calendar year in New Zealand is appropriate? If not, what level would you change it to?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

[insert response here]

12. Do you agree with the method for calculating a supplier's GHG emission reduction?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

[insert response here]

13. Do you think the annual reporting regime, including its offences and fines, is practical and appropriate?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

[insert response here]

14. Do you support the performance of fuel suppliers being published to enable consumers to reward the industry leaders in reducing GHG emissions?

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Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

Name and shame tactics are a proven compliance tool. Equally publishing the performance of fuel suppliers so consumer can reward them with custom could be effective.

15. Will the proposed penalties encourage fuel suppliers to achieve the required emission reductions? If not, would level should they be?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The AA recommends a regular review of the penalties to ensure they are an effective sanction against non-compliance.

16. Do you support the proposal for fuel suppliers to defer achieving their emissions reductions for years 1 and/or 2, in full or in part, to the following year?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The use of deferral to out years avoids financial penalties in the early years where the money spent on sanctions would better be used for investment in biofuel capacity

17. Do you support fuel suppliers banking any surplus emissions reductions in a year and using it to reduce the percentage needed to be achieved the following year?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

If a company can deliver their obligation in one year than allowing a lesser percentage target in the following year will not give the nation the emissions reductions at the pace that is needed to meet our Paris Accord obligations.

18. Do you support fuel suppliers borrowing for shortfalls in emissions reductions in a year, and making the shortfall up the following year?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

Borrowing is acceptable, but should be limited to one year as deferment of penalty. The penalty should be applied if they can't meet their obligation in the following year.

19. Do you agree with the proposal to allow trading through the use of entitlement agreements?

Yes, I agree     I agree in part     No, I don't agree     Not sure/no preference

## Sustainable Biofuels Mandate

Is there anything you would like to tell us about the reason(s) for your choice?

Trading via entitlement agreement will only serve to put a cap on the mandated emissions, not a floor. It creates a disincentive for suppliers to exceed their obligation.