



Sustainable Biofuels Mandate

bp submission

July 2021

Introduction - global expertise and capability; a supportive local partner

bp welcomes the opportunity to contribute to the development of a Sustainable Biofuels Mandate in New Zealand. In responding to the consultation paper, bp wishes to acknowledge the guiding principles recently set out by the Minister for Climate Change, which will underpin how budgets are set under the government's broader Emissions Reduction Plan - due to be shared later this year:

1. a just transition;
2. a science-led response;
3. enhancing the role of nature-based solutions;
4. genuine partnership with Māori; and
5. a clear, ambitious, and affordable path.

bp believes the energy system needs to transition rapidly if the world wants to meet the goals of the Paris agreement. bp's global near-term approach is to lower carbon and reduce emissions by reducing operational emissions, improving its products and creating low carbon businesses. Bioenergy, predominantly in biofuels, features in this approach.

Importantly, being part of the global bp group enables bp in New Zealand to share global low carbon expertise, research and technology development with our New Zealand business partners, customers, and community stakeholders. As bp's ambition is global, it applies to all bp interests, wherever they are in the world.

bp has a long-established record of investment and development in the bioenergy value chain. Indeed, bp has been producing, trading on international markets, and selling bioenergy to end users for over 30 years internationally.

bp group has extensive bioenergy capability and is involved in a number of bioenergy operations around the world as an operator, an investor and as a developer of technology that can help deliver innovative low carbon fuels.

One of bp's largest bioenergy businesses is bp Bunge Bioenergia, a 50:50 joint venture with US agricultural trader Bunge to create a bioenergy company in Brazil. bp and Bunge have combined their Brazilian biofuels and biopower businesses to create a world-scale, highly efficient producer of sugarcane ethanol.

The joint venture includes 11 biofuel plants in five Brazilian states. It has a total crushing capacity of 32 million metric tons of sugarcane per year. The joint venture can produce 1.5 billion litres of ethanol and 1.1 million tons of sugar. It also generates renewable electricity through its cogeneration facilities – fueled by waste biomass from the sugarcane – to power all its sites and sell surplus electricity to the Brazilian power grid.

bp has worked in the biogas market for a long time and has experience in sourcing feedstock. We are piloting a growing range of bio lubricants and continue to develop new technologies in this area. bp is also an active participant in the emerging sustainable aviation fuel (SAF) supply chain, having invested in technology to convert domestic waste into SAF3.

Executive summary

bp is expanding its investment in bioenergy and positioning for future growth. Increasing the mix and volume of low carbon, bioenergy in the liquid fuels markets is an effective method of reducing transport sector emissions. Sustainable biofuels offer a drop-in solution for switching fuels from high carbon to low carbon specifically in sectors that are hard to abate due to cost or availability of technology. bp supports well-designed mandates to facilitate the uptake of bio generated fuels and assist the transport sector reduce its emissions in the short to medium term. Biofuels have an important role to play over the coming decades as the transition continues to broader vehicle electrification.

New Zealand's reliance on heavy vehicles and road transport logistics is a key opportunity for emissions reduction. bp supports policies that incentivise the uptake of biofuels, specifically advanced renewable fuels for hard-to-abate sectors, such as aviation and heavy haul trucking. New Zealand requires a well-designed, stable and long-term policy framework to incentivise and support investment in sustainable biofuels.

A drop-in replacement for petroleum-based diesel, renewable diesel is an interchangeable substitute for conventional petroleum-derived hydrocarbons, meaning it does not require adaptation of the engine, fuel system or the fuel distribution network. Policy design should encourage heavy industry and logistics companies to use lower emission modes of transport.

bp recommends policies that incentivise emissions reduction, are technology agnostic, and consider uptake and compatibility with engines. It is not possible to predict the future energy mix with precision, so policies focused on technology development should support a range of technologies and be stable yet adaptive allowing customers to choose the best solution for their context and cost.

bp supports the overall objective and framework recommendation for progressing emission reductions in the transport sector. However, we are concerned with the proposed targets relative to the corresponding timeframes. For business to participate in the mandate, it will require extensive design and build of infrastructure. Capital expenditure, approvals, market readiness and distribution upgrades are key factors in determining business's ability to participate. These factors will take time to put in place so smooth and safe operations in both production and logistics can be realized. A key recommendation from bp is that timelines for mandate obligations be aligned with those suggested by the Climate Change Commission – *"7.2.4 Increasing use of low carbon liquid fuels 36 The demonstration path assumes the use of low carbon fuels increases to 5 petajoules per year by 2030 and 9.5 petajoules by 2035. This is equivalent to around 270 million litres of fuel or roughly 5% of total liquid fuel demand in 2035. For simplicity, we have modelled this as an equal share across all fuel types (petrol, diesel, jet fuel and marine fuel oil)."*¹

bp recommends considering linking the biofuels mandate to the Emissions Trading Scheme so fuel obligated parties can make use of carbon offsets/credits to abate those emissions that should have been abated by the mandate.

¹ P.110 7.2.4 Increasing use of low carbon liquid fuels, He Pou a Rangi the Climate Change Commission Inaia tonu nei: a low emissions future for Aotearoa.

Lastly, in pursuing a GHG reduction methodology, a material consideration is the proposed targets relative to the corresponding timeframes. Currently these two factors do not align given the extensive design, consenting, build and capital expenditure requirements involved. Further consultation and collaboration with industry will be essential to address the gap and find a practicable solution.

1. Do you support having a GHG emissions reduction mandate? If not, why?

bp supports a GHG emissions reduction framework. bp recommends the department considers a phased upgrade of the framework, to be inclusive of diverse solutions and alternatives as the transport sector transforms to lower emissions. Liable parties should be able to use any type of fuel as long as it meets the reduced GHG characteristic and object of the mandate. For example, the integration of green hydrogen in transport should be accounted for in meeting the overall obligation. bp recommends taking a step further, earlier by including other low-carbon fuels, such as green hydrogen and electricity sold for transport by obliged parties at the outset of the mandate's introduction.

This will be important for the future development and deployment of advanced low carbon fuel options given their role in offsetting liquid hydrocarbon sales, which would be consistent with the California Low Carbon Fuel Standard (LCFS) - one of the first low-carbon fuel standard mandates in the world and probably the most developed mechanisms to encourage decarbonization of the energy supply chains.

bp acknowledges the Ministry's consultation document, which specifically states the significant administrative complexity of adopting an emissions reduction mandate. While this complexity should not be underestimated, there are certain measures we believe will go some way to mitigating this while still delivering on the mandate's strategic objective. For example, bp would support:

- Moving all measurements to the point of lifting at the loading gantry and aligning excise and ETS calculations to this point as well. This would ensure that the same point in the supply chain is being captured equally for recording of all of these types of measurements. Obligated parties could possibly be identified at the lifting point to reduce administration for obliged parties that are not importers of liquid fuel.
- Allowing for counting of the biofuel component of pre-blended grades that may be imported or blended in bulk, rather than gantry injected at terminals. This will be important for second generation advanced biofuels.

2. Fuel suppliers would have the lifecycle emissions of their biofuels independently assessed and audited using a consistent methodology. Do you support the proposal to require certification of lifecycle emissions of biofuels sold in New Zealand using international standards? If not, why?

bp supports using the European Union and International Sustainability & Carbon Certification (ISCC) and the Roundtable on Sustainable Biofuels issued standards. bp would encourage following their issued certification schemes as closely as reasonably practical when considering the draft regulations for the New Zealand market.

Having reviewed the consultation paper, bp needs to understand:

- How often ratings of bio products would be required?
- Whether hydrocarbon fuels would be rated against the current ETS GHG ratings for each grade. bp believes this would make sense to avoid confusion by having a difference between ETS and a biofuel mandated number.

3. The Sustainable Biofuels Mandate would apply to all transport fuels and fuel suppliers would decide where biofuels would be deployed. Do you support applying the Sustainable Biofuels Mandate to all liquid transport fuel? If not, why?

bp supports the Sustainable Biofuels Mandate applying to all liquid transport fuels intended for and consumed within the domestic market – as outlined in the consultation document.

bp recommends some uniform way of tracking international sales so that these can be considered within the mandate calculations.

In developing the mandate, New Zealand's existing fuel specifications must be reviewed and updated to make sure all biofuels are appropriately covered including renewable diesel and sustainable aviation fuel, and that there is an alignment within the domestic fuels specifications to accommodate for any necessary changes. This would extend to ensuring fuel specifications are closely aligned with regional specifications the Australian market and most importantly the Platts trading base (especially for diesel). This would help ensure New Zealand's biofuels market has the greatest possible flexibility, including greater certainty of a robust and diverse supply base for supply security and necessary to meet changing fuels demand as new mobility technologies come to market.

4. The initial emission reduction percentages would reach 3.5% in 2025. Are the proposed initial emission reduction percentages for 2023–2025 appropriate for New Zealand? If not, what should they be?

bp acknowledges that the proposed initial percentages are low relative to offshore biofuel markets, which is to allow domestic producers and fuel suppliers time to scale up volumes. In general, bp is supportive of the proposed reduction percentages, but would caution against the proposed timeframes as they currently stand.

bp notes in the Climate Change Commission's final advice to government its encouragement for a gradual approach to allow for the requisite biofuels infrastructure capability to be delivered in New Zealand and to give suppliers the necessary timeframe to meet these requirements. The Climate Change Commission suggested 9.5 petajoules of biofuel by 2035 whereas the proposed mandate suggests 11.08 petajoules by 2025.²

² P.110 7.2.4 Increasing use of low carbon liquid fuels, He Pou a Rangi the Climate Change Commission Inaia tonu nei: a low emissions future for Aotearoa.

Addressed to: Ministry for Business, Innovation & Employment and Ministry for Transport

The Commission also encouraged exploring incentives to establish low emissions fuel plants, such as biofuel sustainable aviation fuel. As referenced earlier, bp believes these conversations should already be underway - given the significant capital investment required and complex technical design and build processes involved, in an already constrained labour market.

bp suggests the department review this timeframe to align with that proposed by the Climate Change Commission. Relative to the present-day capacity of the domestic biofuel market, the consultation paper potentially underestimates the scale of investment involved to repurpose and upgrade existing infrastructure. Currently, there is low capability to manufacture biofuels in NZ and it will take more than two years to build this capability. There is also no infrastructure available to support the management of bioproducts required to meet product quality control procedures. This can be built but will involve pipelines, storage tanks, slops management systems and blending equipment at oil terminals across the country. There is also limited contractor capacity to build all of the infrastructure and all importers of fuel will potentially be attempting to build in the same timeframes.

bp initially estimates this will likely take more than two years to design, seek planning approvals, construct, and commission. Estimated investment costs to bp [at our main terminals for biodiesel alone is currently estimated to be in a range of \$XX to \$XX million]. To support this investment, it would be a requirement to know what the mandated GHG savings would be for 15+ years - please see our response to Question 6 for an indicative view on an appropriate timeframe.

As a first step, bp recommends a task group between industry and government be established to develop an integrated industry plan to identify and assess the necessary requirements, including options to transition existing infrastructure to meet these requirements, within the earliest timeframe possible.

A critical consideration on this point is that even with a rapid transition of the Refinery's assets to accommodate a biofuel mandate, a detailed feasibility study should be undertaken at Refining NZ to assess what the best options are for repurposing refining equipment to produce biofuels and analyse how conventional biofuels could even be moved via the Refinery to Auckland pipeline.

bp believes this task group be given strategic priority if the industry is to have any chance of meeting the proposed reduction timeframes. bp would encourage further consultation of the proposed reduction targets with industry to avoid establishing unachievable expectations, which inadvertently undermine public support and confidence in the role of a New Zealand biofuels mandate.

Where there is a reluctance to lower the reduction targets, there would need to be a transitional/Pre-obligation period which accommodates where fuel suppliers that are actively investing and delivering the necessary infrastructure to meet them, are exempt or are assessed through a different mechanism (for a period to be defined) until such time that the infrastructure is delivered and operational. Some examples that can be explored through the task group or directly through consultation are: a make good provision could be included, where obligated parties extend the obligation into the future as 'debt' to be paid on production. It maybe that 5-year reconciliation periods (or an alternative agreed number of year periods which facilitate multi-year reporting) be applied to take into account this provision. Another possible interim solution is the payment of offsets for the GHG reductions that would have been realized through the mandated volumes.

At the 2024 review, a view can be taken on progress on production and infrastructure and the targets adjusted accordingly.

bp wishes to further engage with government on how this critical component of the mandate could be developed in order to deliver the best possible outcomes, within a fair, reasonable and practicable timeframe.

5. Should we have one emissions reduction percentage across all fuels or separate percentages for some or all fuels? 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?

To encourage investment certainty, bp submits that it is important to retain optionality. On this basis, bp supports applying a GHG saving percentage across all fuels, which would afford all suppliers covered by the mandate greater flexibility to decide how to meet the mandate in the most efficient and cost-effective manner, and in line with any material market fluctuations at any given period. If this approach were not applied, this may force undue cost burden on to certain fuels, and therefore consumers.

6. Higher GHG emission reduction percentages would be set beyond 2025 to help provide certainty to the biofuels industry. 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? If not, why?

As recently promoted by the Minister for Climate Change, the budgets that will underpin the Emissions Reduction Plan (to be shared later this year) will be based on a balanced and inclusive transition where the government intends to work in partnership with business, which bp supports. However, as noted earlier there is a high hurdle to overcome before considering what these provisional targets may look like, noting that biofuels play an important role in the transition to net zero emission mobility in the longer term. Priority should be given to clearly understand the scale of upfront capital investment required in the near future, including timings involved to transition existing infrastructure.

bp recommends a cautionary approach would be prudent while setting provisional emission reductions targets so as not to risk establishing unachievable expectations and inadvertently undermine public support and confidence for the mandate.

bp suggests that given the high level of investment required, particularly for production facilities and the infrastructure required, at least a 15-year time horizon for the setting of percentages be considered.

bp would also submit that the method for selecting what the preceding year's GHG saving amount (CO₂Te) should be is based in the prior corresponding annual period. This is significant in that it would allow liable parties greater certainty on knowing exactly what GHG savings must be delivered in the year ahead, reducing administrative burden in an already complex and fluid market dynamic.

7. Strict criteria would apply to ensure the biofuels used in New Zealand are sustainable. 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? If not, why?

bp is confident that biofuels can be sustainable, but not all are made equal – production must consider impacts on land use, food production and sensitive environments. bp actively supports limits to using biofuel feedstocks with high ILUC risk, such as palm oil, and increasing the use of sustainable alternatives. We endeavour to only supply palm oil certified to the highest international standards – for example, ISCC and RSPO – and where this is not possible, to purchase certification credits.

It will be important to create a mandate that will accommodate future changes to biofuels that may be supplied as first generation / conventional biofuels are supplemented by second generation / advanced biofuels. It is possible that advanced ‘drop in’ biofuels may be preblended into mineral fuels and imported in this manner to achieve freight efficiencies. There will need to be a certification process to make sure that the volumes of renewable biofuels are recorded accurately and GHG savings credited to the liable party.

8. Do you support having a joint fuel industry/government information campaign to inform New Zealanders about biofuels and the Sustainable Biofuels Mandate? If not, why? Do you support the labelling proposal that informs consumers about specific biofuels at the point of sale? If not, why?

bp supports the establishment of a joint fuel industry/government information campaign. We would contribute to the thinking and approach, as required. It is important to note that this would require a significant undertaking. Consumers would need to be aware and understand that the new biofuels would not damage their vehicles or machinery, including what vehicles and machinery are compatible with the various biofuels likely to be offered in the market.

There are already labelling standards in place and these should be reviewed to ensure they are adequate to cover any new biofuels likely to come to market for instance renewable diesel that may be simply co-mingled with existing mineral product.

bp would point to the following recent experience in Australia which highlights the importance of taking learnings from other markets and applying them carefully in a New Zealand context.

Case study – Australia

As a fuel wholesaler and distributor in Australia, bp is subject to the biofuel policy mandates set in Queensland and NSW. The Queensland and NSW biofuel mandates were introduced to encourage growth of a biofuels industry in the respective states and aimed to encourage investment in regional areas in new or advanced biofuel technology - rather than deliver GHG emissions abatement.

These policy designs of the mandates has been faced with a number of implementation challenges, including:

- A limited number of biodiesel and ethanol producers;
- lack of customer uptake of the products;
- federal excise concession settings which have limited the importation of alternate ethanol or biodiesel products.
- The potential under these settings to divert feedstock from the food to fuel value chains, for example wheat being diverted for use as ethanol feedstock.

Despite ambitious intent, the policy design has struggled to achieve the policy objectives, with neither state realizing any significant increase in private sector investment in bioenergy since the introduction of the mandates, except for some smaller producers working towards producing market level volumes of biofuel in Queensland.

However, the fuels industry has invested significantly in biofuels related infrastructure to support the terminals and logistics supply chains, and at retail sites. Despite significant investments, a lack of consumer uptake continues to be a barrier to achieving compliance with the ethanol mandate.

Many consumers in both jurisdictions, especially NSW, choose to purchase premium fuels instead of ethanol blended fuels. Compared to other fuel options, the cost differential of the ethanol blended petrol, E10, is historically insufficient to encourage consumers to switch products.

Coupled with this is a lack of understanding of the use of E10 in the community. An E10 educational campaign was introduced by the NSW government in partnership with the NRMA called 'Fuel for Thought', but industry saw little change in consumers' buying patterns following the campaign.

The Queensland government's campaign, 'E10 Ok' preceded the commencement of the ethanol mandate and led to slightly higher sales of E10 in Queensland as compared to NSW, however consumers also continue to choose premium unleaded petrol (PULP) or regular unleaded petrol (RULP) – whichever is available – over E10.

In 2016 the ACCC observed in a regular petrol monitoring report that the NSW biofuels mandate was costing NSW motorists up to \$85 million per year in fuel costs.

Contributing to these challenges are federal excise concession settings which have limited the importation of a variety of alternate ethanol or biodiesel products, which has limited consumer choice, maintained less competitive prices of existing products and in-turn prevented the development of a competitive local market.

This lack of a competitive local market has led to sub-optimal outcomes for supply security, quality of product, market structures and cost of product, that has ultimately disadvantage consumers.

In its 2015 report "Ethanol Mandate – options to increase the uptake of ethanol blended petrol", the NSW Independent Pricing and Regulatory Tribunal (IPART) concluded that a large beneficiary of the NSW mandate was the single producer and dominant supplier of ethanol in NSW. There is a significant lack of competition in NSW as volume fuel sellers must purchase ethanol to comply with the mandate, and there is little prospect of competition from imported ethanol in the foreseeable future, given the Australian government's concessionary excise arrangements for local ethanol producers.

9. The engine fuel specifications would continue to ensure biofuels pose no risk to engines. 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?

bp will have to import biofuel into the New Zealand market in response to the mandate as local production does not currently exist to meet demands. The only position it would submit is to ensure that the design of the mandate avoids creating any unintended consequences, including impediments to establishing and maintaining a workably competitive market for raw materials and biofuel supply options. Certification of advanced biofuels has already been covered under Question 7 and alignment of both biofuel and mineral fuel specifications has been mentioned under Question 3.

10. Who would have to comply with the Mandate? 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?

bp is supportive of creating a way that ensures biofuels can be applied to every part of the market. Having a minimum threshold is one way to do this but there may be other ways that reduce the administrative tasks involved in tracking and proving compliance. It is highly likely that the suppliers of the wholesales listed will be called upon by the wholesalers to provide biofuel options for them.

However, there may be costs and quality control issues that the wholesalers could be exposed to when converting to biofuel grades. These could be, but are not limited to, underground tank cleaning prior to biofuels introduction and labelling for biofuels products.

Where there is opportunity alignment of excise tax, ETS obligations and a biofuels mandate to one point in the supply chain should be applied. This would improve and simplify the administrative tasks of the fuel importers.

11. How would a fuel supplier's performance be calculated? Do you agree with the method for calculating a supplier's GHG emission reduction? If not, why?

bp does not object to the method suggested. However, all GHG accounting methods should form part of a regular review process as the accounting standards mature.

12. Liable fuel suppliers would have to file an annual return. Do you think the annual reporting regime, including its offences and fines, is practical and appropriate? If not, why?

bp acknowledges the value of filing an annual return and would encourage developing an automated system to calculate and record the returns, similar to how this is managed for the ETS. This would ideally also include a calculator so that obligated parties can periodically run calculations to make sure that their calculations are in line with the government's own calculations. This would be both important and beneficial if wholesale customers supplying >10m litres are included as liable fuel suppliers so that they can easily calculate their requirements.

13. The performance of fuel suppliers would be published to increase public awareness and scrutiny. Do you support the performance of fuel suppliers being published to enable consumers to reward the industry leaders in reducing GHG emissions? If not, why?

No, bp is not supportive of this approach and note that some potentially commercially sensitive and competitive information may be disclosed on both the supply and the sales side especially if >10 million litre wholesale suppliers are included as part of the final mandate.

14. Penalties would apply for non-compliance with the mandated percentages. Will the proposed penalties encourage fuel suppliers to achieve the required emission reductions? If not, what level should they be?

bp recommends an alternative approach to penalties, be in the provision of carbon offsets/credits for those emission reductions that should have been achieved over the time frame.

bp notes that the proposed enforcement regime would appear overly complex. Rather than having a fine for non-compliance could there simply be an alternative compliance mechanism whereby fuel suppliers get the choice to supply biofuel or get taxed at [x] per tonne of CO₂e, which ultimately supports compliance.

In the event that government prefers including penalties as currently prescribed in the consultation document, bp would make the following points:

- The fine levels may need to be revised upward where the marginal cost of compliance ever became structurally higher than the proposed penalty.
- Ideally court can be avoided in that the Ministry or Agency regulating this mandate would directly invoice the non-compliant party.
- Any fine arrangement should be based on a transparent and equitable arrangement for all market participants.

15. For the first two years of the Mandate fuel suppliers could defer meeting their required emissions reductions. Do you support the proposal for fuel suppliers to defer achieving their emissions reductions for years 1 and 2, in full or in part, to the following year? If not, why?

As submitted earlier, for reasons specific to the scale of investment and the indicative two-year timeframe required to build new and transition existing infrastructure to manage biofuels, bp supports applying an early degree of flexibility. On this basis, bp submits that no penalty should be applied in the first two years as the total amount of GHG saving must still be achieved by the end of year three. bp would also support putting in place a mechanism to assure all relevant government stakeholders that a fuel supplier was actively taking all steps reasonable to meet the mandate.

16. Suppliers would have a degree of flexibility in meeting the mandated reduction percentages. 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? If not, why?

bp supports such an approach to create as much flexibility as possible in meeting the mandate. And, as submitted earlier, bp would appreciate having an online tool to periodically calculate its position and actively manage any over or under positions on an ongoing basis. bp recommends a 5-year reconciliation period (or an alternative agreed number of year period which facilitates multi-year reporting), be considered especially in the first 5 years of the mandate, to allow for both banking and borrowing across the 5-year obligation.

17. Do you support fuel suppliers borrowing for shortfalls in emissions reductions in a year, and making the shortfall up the following year? If not, why? Do you agree with the proposal to allow trading through the use of entitlement agreements? If not, why?

Yes, bp supports this approach which would require having an online tool to actively manage the administration of the trades and record each leg of the transaction (loan & borrow) so tracing of the transactions are clear and recorded – on an ongoing basis.

18. Does government need to do more to encourage domestic production?

As pointed out in the discussion document, biofuels will not be cheaper than the mineral fuel equivalents. In other countries there are significant incentives for biofuels, for example in the US in California and across Europe, incentives are in place to help suppliers get to the high biofuel penetration percentages mentioned in the discussion document.

To support this in New Zealand, the current excise relief on ethanol, as is currently in place, needs to be continued and it needs to be made clear that this will stay in place for years to come. Some sort of equivalent for biodiesel and SAF also needs to be put into place to encourage the development of biofuel production facilities and in the shorter-term support import options to build the market on the demand side.

We encourage an approach that involves working at the outset with suppliers to develop other incentive mechanisms to further encourage production and create sustainable infrastructure thereby closing the gap to achieve close to a parity price to mineral based fuels to achieve a 'just transition' to a lower carbon future.

Additionally, and as already mentioned, funding should be supplied to investigate the feasibility of production facilities, and the government may need to support the building of these facilities should they be feasible.

Introducing biofuels is not a short-term fix and implementation needs to be managed in an orderly and timely way to avoid any unintended consequences to ensure that both production and demand to achieve the sustainable GHG savings in the most efficient and 'just' way.

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