

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 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:

[REDACTED]

Email address:

[REDACTED]

Withheld under section 9(2)(a) and The Privacy Act 1993

Phone number:

[REDACTED]

Organisation:

McFall Fuel Limited

- 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 and/or 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.

I think that the cost to achieve biofuels into such a small market as New Zealand will be far greater than your estimates and we would be better to focus on other ways to reduce GHG. I think using a “stick” approach is a very poor way of achieving this whilst pushing significant costs into our economy. I do not have faith in the numbers that have been produced and believe both the capital and product costs would be far better directed in additional electricity/Hydrogen production long term. Feels like we are fiddling while ignoring the things that really need done. Do we really understand the life cycle, production costs and transport and infrastructure cost that Bio Fuels will bring? Do we really understand how land use changes will effect the environment and our ability to produce food.

As Bio Fuels are less energy efficient it will also mean more fuel will need to be delivered so more trucks on the road. I think a far more structured approach to bringing our “fleet” in NZ up to the best possible Euro emission standards would achieve more. A lot of our current fleet are very dated and inefficient. Also the promotion of premium fuel that allows a better burn and efficiency such as Bp’s ultimate Diesel could see a 2-4% reduction of Fuel used rather than introducing a product that will increase our fuel usage.

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.

This should be done at a Terminal/production level otherwise you will introduce a lot of unnecessary cost and complexity. Should be just as per our current fuel specs are handled.

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.

All fuel suppliers that import or produce fuel should be subject to the mandate if we are to have one. It is overly complex and pointless to include the people like us that purchase our fuel from the Gantry and have no importing, terminal or production ability. We will be completely reliant on our supplier to provide a fuel that meets both the environmental requirements and the customers requirements.

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 current terminal infrastructure in NZ is already struggling with demand. To introduce additional products will require many years of planning and investment. If this is what the Government wants they should be looking at incentives to import bio fuel or incentives to develop local production. Maybe the significant money that is collected in fuel taxes should be used for this or establishing an electric or

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Hydrogen network. We cannot keep putting more tax and more cost on everything we do. The cost of Bio Fuels will significantly increase the cost of doing all business for everyone with only a mid term life cycle for the investment.

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?

I'm not an expert but would think Biofuels may not be ok for some application such as cold weather issues and high quality energy efficient engines. Also I believe it will require more frequent servicing of vehicles which will also increase the inefficiency of the fleet requiring more vehicles to cover downtime.

Support that all transport fuels and fuel suppliers should be covered but do have concerns that all fuel can be dosed with biofuel. McFalls has a heavy weighting to diesel sales as these are the customer segments we choose to compete in, so biodiesel will have to be a solution for us. We do have some concerns that all our customers will be able to use biodiesel in all of their applications, for instance tanks in very cold locations may not be suitable for FAME based biofuels. This may create a issues in McFalls being able to deliver the mandated requirements, especially as volumes come into the market and customers may have low confidence in the 'new' products. Can any dispensations be made for this portion of the market where biofuels may not be fit for purpose.

We do note that there is a potential for a government supported education program and we fully support this as long as it is directed at all market sectors.

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?

We will need certainty of where we are heading but you cant just say do it without having the infrastructure and ability in place.

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?

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

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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?

Yes, we would support such a campaign and encourage government to inform consumers what biofuels will be safe in their vehicles and machinery. As pointed out in the discussion document biofuels will not be cheaper than the hydrocarbon fuel equivalents and it should be noted that biofuels also do not carry as much energy content as mineral fuels therefore you will need more biofuel to travel the same distances, this should also be included in the educational materials produced by the government.

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?

[insert response here]

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?

This would be significant manipulation of a free market. You should look at incentives and govt investment

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?

This should be all in or all out. Small distribution should not be able to have a different cost structure. Again if the mandate was applied at the import and production level this takes all the issues around competitive advantage away.

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

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

We are not experts in this complex area so steps should be taken to make this as simple as possible for all parties. To help achieve this we are suggesting that the annual target should be based on the previous years GHG emissions (based on the fuel volumes sold). By doing this each liable party would clearly know what they have to deliver the coming year. To further aid this some online calculators should be provided by the government so that the calculations for obligation and delivery of GHG savings can be easily calculated by all parties. Online tools to submit the annual returns would also be required to make the administration burden as simple as possible.

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?

No absolutely not. This will put significant addition cost into doing business. Again if it was introduced at the import or production level it would significantly reduce the work and complexity.

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

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?

Absolutely not this would allow sensitive information to be released to the public. Again if it was at a import and production level this becomes unnecessary for us.

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?

This is an awfully way of making this happen. Far better with incentives and investment by Government.

It would be the equivalent of telling a child you will smack them if they don't get A's in maths but not providing any Maths classes.

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?

Only due to the fact the % and timelines will not be able to be achieved.

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?

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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?

[insert response here]

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?

[insert response here]

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

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

[insert response here]