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**From:** Don Harvey [REDACTED] Withheld under section 9(2)(a)  
**Sent:** Monday, 26 July 2021 11:34 am  
**To:** Energy Markets  
**Subject:** Biofuels Mandate

**Categories:** Submission, Tracked To Dynamics 365

Attention: MBIE

Please see our responses to the questions in green below –

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Overall we are supportive of the Biofuels mandate and that it is a Green House Gas (GHG) reduction based mandate. If its GHGs you are trying to reduce then GHG based mandate is the way to do it. However this does create some issues in calculating the requirements under the mandate as different bio-products will have different GHG's saving associated with them. 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.

**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?**

Although 1.2% in 2023 sounds like a small percentage it does not appear, to our knowledge, that there is enough production capability in New Zealand to get anywhere close to delivering this percentage. We will be relying on our fuel supplier to provide us enough biofuel to meet our obligations. However we do not think they would have the local infrastructure in place in time to be able to deliver biofuel blends to their customers in the volumes required. We have no idea what the infrastructure costs would be but we do know that any in Terminal work takes a long time to implement. Care must be taken to ensure that liable parties, such as ourselves, are not penalised with heavy fines when supply cannot be delivered due to lack of product being available or lack of infrastructure to deliver it to market.

**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?**

Support that all transport fuels and fuel suppliers should be covered but do have concerns that all fuel can be dosed with biofuel. Distributors generally have 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 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.

**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?**

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 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. The government should provide support for these switching costs.

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?

We are not supportive of this approach as some potentially commercially sensitive and competitive information may be disclosed.

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?

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.

We recommend that an industry working group be established to engage with MBIE and address the actual issues regarding infrastructure and supply. This would allow a realistic timeframe for implementation, given there appears to be a lack of clarity as to where the biofuels are actually going to come from and given the fact that New Zealand does not appear to have the production capacity to produce the required volume of biofuel.

Kind Regards,

Don Harvey

Don Harvey  
**Managing Director**  
Corporate Office  
RD Petroleum Limited  
399 Moray Place PO Box 5622  
Dunedin 9054



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Craig Fitzgerald  
**Engineering and Projects Manager**  
Christchurch Operations  
RD Petroleum Limited  
Waterloo Park, 17 Innovation Road, Islington  
Christchurch, Canterbury 8140



Email: [redacted]  
Web: [www.rdp.co.nz](http://www.rdp.co.nz)



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