

## 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:	Privacy of natural persons
Email address:	Privacy of natural persons
Phone number:	Privacy of natural persons
Organisation:	Waikato Regional Council

- 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:

#### 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.

We strongly support having a GHG emissions reduction mandate.

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.

We support the proposal to require certification of lifecycle emissions of biofuels sold in New Zealand using international standards on the basis that it is robust and more cost efficient. We support producers using a system consistent with other international markets.

It is important that decision-making around the types of biofuels that are introduced should consider, in addition to the lifecycle GHG emissions, the emissions of hazardous air pollutants. Some types of biodiesels have been found to produce more hazardous air pollutants than petrol or diesel. For example, a recent study by Southern et al., 2021, assessed the toxicity of particles from the combustion of different types of biodiesels. The study found that particles produced from combustion of diesel manufactured from rapeseed oil methyl ester were less inflammatory than fossil diesel but soybean oil methyl ester particles were more inflammatory. Waste cooking oil methyl ester was found to increase particle cytotoxicity whereas palm oil methyl ester decreased particle cytotoxicity. It was also found that particle-phase PAH emissions also followed this trend ([Re-assessing the toxicity of particles from biodiesel combustion: A quantitative analysis of in vitro studies - ScienceDirect](#)).

In addition to this, studies tend to indicate that in most cases, biodiesels produce more NOx emissions than diesel ([NOx emission of biodiesel compared to diesel: Higher or lower? - ScienceDirect](#)).

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.

We support applying the Sustainable Biofuels Mandate to all liquid transport fuel. We consider that the decarbonising principle should not be limited.

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?

We consider that the proposed initial reduction percentages for 2023-2025 are a good start but will need to be increased in future, acknowledging suppliers need time to scale up due to the large-scale capital investment necessary.

## Sustainable Biofuels Mandate

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?

We favour having two separate reduction percentages, suggesting one for petrol and diesel, and another for aviation. One reduction percentage for petrol and diesel will address the reduction challenges for the light vehicle fleet and avoid consumers changing to other fuels based on price point rather than emissions profile. A separate reduction percentage for aviation will allow flexibility and can be adjusted as technological changes facilitate a greater uptake of biofuels for aviation.

- 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 support provisional emission reduction percentages being set five-yearly for 2026–2030 and 2031–2035 with the percentages being finalised in 2024 and 2029 respectively, to the extent that they are consistent with the budget set under the Climate Change Response (Zero Carbon) Act.

6. 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?

We support the proposal that biofuel producers must be certified against an established sustainability standard to count towards achievement of the emissions reduction percentage on the basis that this will provide confidence.

We suggest that the approach taken should be similar to the approach to be taken in certifying lifecycle emissions of biofuels sold in New Zealand using international standards.

7. 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?

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

We consider that information fosters behaviour change and that education has the potential to act as a key policy lever. Further, this campaign would promote transparency and give consumers confidence.

We suggest developing a partnership with car manufacturers to work to reassure consumers of the safety of using biofuels in vehicles.

## Sustainable Biofuels Mandate

8. 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?

We support the suggested labelling requirements for biofuels at the point of sale, informing consumers of: percentage of biofuel used in the fuel; lifecycle emissions of biofuel; feedstock and the conversion processes used to produce the biofuel as well as the country of origin; environmental sustainability of biofuel, including in context of the region in which it is being sold; and also, the main additives and organic components.

We note that our support is conditional on the labelling not being 'green-washing.' We would consider the labelling to be 'green-washing' if "the environmental sustainability of the biofuel" was exaggerated and gave consumers the impression that biofuels alone were an adequate means by which to achieve national emissions reductions targets, or suggested that they were in any way an alternative to an emissions reduction response that had a focus on mode shift and complete decarbonisation.

We further submit that both prescribed and additional information should be available online.

9. 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?

We support continued research, trial, and development of biofuels, including investigation into the potential for the co-location of wood waste (from processing of production forests) and geothermal energy for bio-fuel refining in Waikato, land use diversification, and considering anything with a Land Use Capability above 6e for such domestic plantations to help overcome the challenges faced in maintaining access to domestically produced biofuel.

We suggest that sources of information should be diversified to a range of research institutions, extending beyond Scion and a limited sample of universities.

Further, we suggest that there are some potential biofuel sources that have not been considered. These include 'second generation' biofuels such as wood waste or algae which do not displace food crops, and C4 grass such as *Miscanthus giganteus*, which could produce around 9,000 Litres of renewable diesel per hectare ([Miscanthus Grass - Professor Steve Wratten as cited in Rural Delivery, 2018](#))

In identifying and addressing challenges, we encourage you to consider challenges that will arise as the climate changes. For example, C4 plants are more efficient at converting sunlight into product – producing up to 50% more yield, and be able to do it with less water and nutrients.

We caution that the proliferation of biofuel crops at the expense of indigenous forest, wetlands, and ecosystems should be avoided.

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

10. 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?

## 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?

We support a calculation that is based on science and well-informed calculations.

**11.** 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?

We consider the suggested formula to be appropriate and trust it has been prepared with its use of use for regulators in mind.

We submit that to support the method, we first must be confident that it covers all lifecycle emissions likely in the manufacture and supply/transport of biofuels used.

**12.** 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?

We support penalties for reporting offences so long as MfE has data to support this working as an appropriate deterrent, and regulators have the ability to thoroughly investigate offences. Overall, we consider that the annual reporting regime will foster transparency and is workable from a policy point of view.

**13.** 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?

We support on the basis of transparency and providing the public with information so that consumers can make informed choices. We consider that this will encourage improvement in GHG emission reductions as it will incentivise competition between fuel suppliers for who is providing the most sustainable fuel.

**14.** 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?

We support this approach whereby a first offence is met with a response that focuses on attitude and behaviour change, while a repeat offender faces a stronger penalty.

**15.** 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?

## 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?

We acknowledge that this may be necessary as there may not be the supplies in the first couple of years. From a technical point of view this is consistent with the penalty approach which allows for behavioural change – the emissions reductions are more flexible in the first two years which ties in with lower penalties for the first two years. However, we consider there needs to be a good justification for allowing a fuel supplier to defer their achievement for any given year.

**16.** 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?

We support banking emissions reductions. emissions, but consider that there should be an expiry date for banked emissions set by regulation (so that fuel suppliers cannot bank them indefinitely, thus negatively impacting the capacity of New Zealand to meet its national emission budgets.).

**17.** 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?

We support capping the amount of surplus allowed to be borrowed at 10% and submit that this ability must be accompanied by a requirement for fuel suppliers to justify their borrowing.

**18.** 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?

We support on the basis that it is considered an offence to sign a false or misleading agreement.

### Further comment:

We highlight that the unit used in Appendix 1, mmBtu, is not metric and should be converted to megajoules of energy to represent New Zealand's legally determined commitment to SI units.