



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	A Sustainable Transport Biofuels Mandate: preferred design for public consultation	Date to be published	19 July 2021

List of documents that have been proactively released

Date	Title	Author
April 2021	A Sustainable Transport Biofuels Mandate: preferred design for public consultation	Office of the Minister of Energy and Resources Office of the Minister of Transport
19 April 2021	Sustainable Transport Biofuels Mandate: Release of Consultation Document CBC-21-MIN-0046 Minute	Cabinet Office
April 2021	Sustainable Transport Biofuels Mandate SAR and RIS	MBIE

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Sustainable Transport Biofuels Mandate: Release of Consultation Document

Portfolio Energy and Resources / Transport

On 19 April 2021, the Cabinet Business Committee:

Background

- 1 **noted** that on 16 December 2020, the Cabinet Business Committee:
 - 1.1 agreed in principle to implement a biofuel mandate, subject to an officials' review of the 2008 Biofuels Sales Obligation and further research into the costs and benefits of a biofuels mandate and the sustainability criteria for biofuels;
 - 1.2 invited the Minister of Energy and Resources and the Minister of Transport to report back on the outcome of the consultation;[CBC-20-MIN-0139]
- 2 **noted** that the design of the proposed Sustainable Biofuels Mandate, outlined in the submission under CBC-21-SUB-0046, retains the majority of the design features of the 2008 Biofuels Sales Obligation;

Greenhouse gas emissions reduction mandate applied to all transport fuels

- 3 **agreed** to consult on a greenhouse gas (GHG) emissions reduction mandate, which would require liable fuel suppliers to reduce the total emissions of the fuels they sell by a set percentage each year through the supply of biofuels;
- 4 **agreed** to consult on a mandate that applies to any liquid transport fuel, with fuel supplier autonomy as to where biofuels are deployed;
- 5 **noted** that both domestically produced and imported biofuels could be used to meet the mandated percentage reduction, subject to their meeting set sustainability criteria;
- 6 **noted** that the proposed Sustainable Biofuels Mandate would not apply to any fuels sold for export, nor any fuel used by aircrafts and ships on international trips;
- 7 **agreed in principle**, subject to the proposed Sustainable Biofuels Mandate being progressed, that in 2024 officials will review the desirability of extending its coverage to include other low-emissions fuels, such as hydrogen or electricity;

Initial percentages set for 2023-2023, followed by higher percentages

- 8 **noted** that the proposed Sustainable Biofuels Mandate would set initial emission reduction percentages starting at 1.2 percent, and increasing to 3.5 percent in 2025;
- 9 **agreed** to consult on a mandate that would permit higher percentages to be set in future in conjunction with the government's five-yearly emissions budgets;

Sustainability criteria

- 10 **agreed** to consult on sustainability criteria to be included in the proposed Sustainable Biofuels Mandate, which would ensure that there is an acceptable baseline for the environmental performance of eligible biofuels;

Compliance

- 11 **agreed** that the features of the compliance regime consulted on for the proposed Sustainable Biofuels Mandate be the same, or largely similar, to those of the 2008 Biofuels Sales Obligation, with the key ones being:
 - 11.1 annual reporting;
 - 11.2 penalties for non-compliance;
 - 11.3 the ability to defer in the first two years;
 - 11.4 flexibility mechanisms, including banking of any surplus emissions reductions, borrowing for any shortfall in emissions reductions, and trading;
- 12 **noted** that the regulatory agency responsible for compliance and enforcement of the proposed Sustainable Biofuels Mandate will be determined prior to a final report being submitted to Ministers in September 2021;

Public Consultation

- 13 **agreed** to the release of a consultation document *Increasing the Use of Biofuels in Transport: Consultation Paper on the Sustainable Biofuels Mandate*, attached to the submission under CBC-21-SUB-0046, which seeks feedback on the preferred design of the Sustainable Biofuels Mandate;
- 14 **agreed** that public consultation occur for a six-week period over May – June 2021;
- 15 **invited** the Minister of Energy and Resources and the Minister of Transport to report back to the Cabinet Economic Development Committee on the outcome of consultation and on final proposals for the Sustainable Biofuels Mandate by 30 September 2021

Rachel Clarke
Committee Secretary

Present (see over)

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon James Shaw

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet