# Submission form: Consultation on Onshore Fuel Stockholding

The Ministry of Business, Innovation and Employment (MBIE) would like your feedback on the proposal to require minimum onshore fuel stockholding levels similar to what has been proposed in Australia, and the options on how to achieve these minimum levels. Please provide your feedback by **5pm, 28 February 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 [Consultation paper: Onshore fuel stockholding](https://www.mbie.govt.nz/dmsdocument/18594-consultation-paper-onshore-fuel-stockholding). 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:
4. 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 will take such declarations into account and will consult with submitters when responding to requests under the Official Information Act.
5. 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).
6. 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.
7. Submit your feedback:
8. As a Microsoft Word document by email to**energymarkets@mbie.govt.nz**with the subject line:*Consultation: Onshore Fuel Stockholding*
9. By mailing your submission to:

Consultation: Onshore Fuel Stockholding
Energy Markets Policy
Building, Resources and Markets
Ministry of Business, Innovation and Employment
PO Box 1473, Wellington 6140
New Zealand

# Submitter information

MBIE 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 understand how different sectors view the proposals and options for requiring and achieving minimum onshore fuel stockholding. Any information you provide will be stored securely.

**Your name, email address, phone number and organisation**

|  |  |
| --- | --- |
| Name: |  |

|  |  |
| --- | --- |
| Email address: |  |

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| --- | --- |
| Phone number: |  |

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| Organisation: |  |

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| [ ]   | 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 may publish.  |
| [ ]  | MBIE may upload submissions and potentially a summary of submissions to its website, [**www.mbie.govt.nz**](http://www.mbie.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 because… [insert reasoning here] |

**Please check if your submission contains confidential information**

|  |  |
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| [ ]   | 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.  |

**Fuel security risk assessment**

1. Do you agree with the description of fuel supply disruption risks in the consultation paper on *Onshore Fuel Stockholding*? What other disruption scenarios or types of risk should be considered?

[ ]  Yes [ ]  Yes, with changes [ ]  No [ ] Not sure/No preference

Please explain your views.

|  |
| --- |
| [insert response here] |

1. Do you agree with the fuel security assessments risks in the consultation paper on *Onshore Fuel Stockholding* (and in the [2020 Hale & Twomey report](https://www.mbie.govt.nz/dmsdocument/15257-fuel-security-and-fuel-stockholding-costs-and-benefits-2020)), including the implications of the Marsden Point Refinery’s closure? If not why not?

[ ]  Yes, I agree [ ]  I agree in part [ ]  No, I don’t agree [ ]  Not sure/no preference

Please explain your views.

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| --- |
| [insert response here] |

1. Do you consider that regional ports other than Northport at Marsden Point have sufficient infrastructure to maintain a satisfactory level of fuel supply resilience? If not, which fuels may need better storage and distribution facilities at those regional ports and why?

[ ]  Yes, I agree [ ]  I agree in part [ ]  No, I don’t agree [ ]  Not sure/no preference

Please explain your views.

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| --- |
| [insert response here] |

1. Should New Zealand hold fuel stock equivalent to more than 90 days of net fuel import demand (i.e more than the minimum level required by the membership of the International Energy Agency (IEA))? If so, how much more and why?

[ ]  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?

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| --- |
| [insert response here] |

**Objectives and evaluation criteria**

1. Are the evaluation criteria used for assessing options for onshore fuel stockholding the right ones? What other criteria should be considered?

[ ]  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?

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| --- |
| [insert response here] |

**What level of onshore stocks should be held?**

1. Do you agree that the minimum onshore fuel stockholding level should be above the current level?

[ ]  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?

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| [insert response here] |

1. Which option for minimum onshore stockholding level do you consider to be the best? Why do you choose that option?

[ ]  Status quo

[ ]  Option 1 (current level or 20 days of cover for meeting daily fuel consumption)

[ ]  Option 2 (24-28 days of cover similar to the Australian level)

[ ]  Option 3 (40 days of cover)

[ ]  Option 4 (60 days of cover similar to EU countries)

[ ]  Not sure/no preference

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

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| [insert response here] |

Achieving the target level of onshore stocks

1. Do you agree that any biofuel sales should be counted for the purpose of determining a wholesaler's stockholding obligation and any biofuel stocks be counted for the purposes of meeting a wholesaler's obligation?

[ ]  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?

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| [insert response here] |

1. Do you agree that the Government should adapt its oil ticket strategy to procure tickets for onshore fuel stocks if the fuel industry participants in New Zealand offer such tickets?

[ ]  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?

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| --- |
| [insert response here] |

1. Do you agree that fuel wholesale suppliers should be required to meet minimum onshore stockholding level?

[ ]  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?

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| --- |
| [insert response here] |

1. Do you consider that there should be minimum stockholding requirements specific to the type of fuel?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

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| --- |
| [insert response here] |

1. Do you consider that there should be minimum stockholding requirements that apply to specific locations?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

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| [insert response here] |

1. Do you agree that a stockholding agency should be set up to manage the compliance, enforcement and monitoring activities associated with the minimum stockholding obligations on the fuel wholesale suppliers?

[ ]  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?

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| [insert response here] |

1. Do you consider that a stockholding agency (if established) should take over the responsibility for managing compliance with New Zealand's IEA obligations, including procurement of oil tickets?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

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| [insert response here] |

1. Do you consider that a stockholding agency (if established) should take on a role in managing responses to fuel disruptions and coordinating the relevant contingency planning and emergency exercises?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

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| [insert response here] |

1. Do you consider that a stockholding agency (if established) should develop or manage other fuel resilience mitigation measures, such as investments in fuel storage and distribution facilities?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

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| [insert response here] |

1. If a stockholding agency is established, should it be government-funded, industry-funded or co-funded by government and industry?

[ ]  Government-funded [ ]  Industry-funded [ ]  Co-funded by Government and industry [ ]  Not sure/no preference

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

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| --- |
| [insert response here] |

What should be the share of government funding if a stockholding agency is established and co-funded by government and industry?

|  |
| --- |
| [insert response here] |

1. Do you agree that the Petroleum or Engine Monitoring Fuel (PEFM) levy should be used to provide government funding for a fuel stockholding agency if it is set up?

[ ]  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?

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| --- |
| [insert response here] |

1. Do you agree that a stockholding agency, if established, would improve coordination between the Government and the fuel industry in managing fuel supply resilience? If so, in what ways?

[ ]  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?

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| [insert response here] |

1. In your view, how much resources would be needed for the operation of a stockholding agency if established?

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| --- |
| [insert response here] |

1. Are there any other options for meeting the target level of onshore stockholding?

[ ]  Yes [ ]  No [ ]  Not sure/no preference

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

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| [insert response here] |

Amending levy formula

1. Do you agree that the PEFM levy formula should be amended to distinguish the component of managing IEA-related costs (including procurement of tickets for onshore fuel stocks and possibly funding for a stockholding agency in the future)?

[ ]  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?

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| [insert response here] |

1. Do you agree that the PEFM levy rate for covering the IEA-related costs should be variable, subject to three-yearly review and the Minister of Energy and Resources' approval? If not, why not?

[ ]  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?

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| --- |
| [insert response here] |

Implementing minimum stockholding obligations (if required)

1. Do you agree that fuel wholesale suppliers should file monthly returns on onshore fuel stockholding? If not, why not?

[ ]  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?

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| [insert response here] |

1. Do you have any view on the information disclosure requirements for monthly returns on onshore fuel stockholding, particularly the type of information to be provided and relevant record-keeping requirements??

|  |
| --- |
| [insert response here] |

1. Do you agree that fuel wholesale suppliers should be allowed to trade with each other to meet the minimum fuel stockholding obligations through entitlement agreements between them? If not, why not?

[ ]  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?

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| --- |
| [insert response here] |

1. Do you think the proposed penalties for non-compliance with minimum stockholding obligations are appropriate? If not, why?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

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| [insert response here] |

1. Do you think the proposed penalties for knowingly providing false or incomplete information are appropriate? If not, why?

[ ]  Yes [ ]  To some extent [ ]  No [ ]  Not sure/no preference

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

|  |
| --- |
| [insert response here] |

1. Any other comments?

|  |
| --- |
| [insert response here] |