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.
- Fill out your responses to the discussion document questions. You can answer any or all of these
 questions in the <u>discussion document</u>. 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

Nam	ne:				
Email address:		Withheld under section 9(2)(a) and The Privacy			
Phone number:					
Organisation:		Bus And Coach			
	name or oth that MBIE and MBIE and M website(s), v	ne Privacy Act 1993 applies to submissions. Please tick the box if you do <u>not</u> wish your ame or other personal information to be included in any information about submissions at MBIE and MoT may publish. BIE and MoT may upload submissions and potentially a summary of submissions to the ebsite(s), <u>www.mbie.govt.nz</u> and/or <u>www.transport.govt.nz</u> . If you do <u>not</u> want your abmission or a summary of your submission to be placed on either of these websites,			
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					
	and <u>have sta</u>	my submission (or identifiable parts of my submission) to be kept confidential, ated my reasons and ground under section 9 of the Official Information Act that I by, for consideration by MBIE and MoT.			

How the Sustainable Biofuels Mandate would work

1. Do you support having a GnG emissions reduction mandate?					
	☐ Yes	☑ Yes, with changes	□ No	☐ Not sure/No preference	
	Please explain yo	ur views.			
	Bus and Coach supports the investigation of Biofuels to assist the transition to a low emissions transport system. However, we would have to ensure that no potential extra costs were passed ont our operators as these costs would then be passed onto the consumer. This would in turn discourage public transport use, which given the vastly greater efficiency of public transport would negate any emissions gains.				
2.	Do you support the proposal to require certification of lifecycle emissions of biofuels sold in New Zealand using international standards?				
	☑ Yes, I agree	\square I agree in part	☐ No, I don't agree	\square Not sure/no preference	
	Please explain yo	ur views.			
	A certification system would provide important oversight of the fuel provided and ensure that those with vehicle fleets could be confident of the fuel they are using.				
3.	Do you support a	pplying the Sustainable I	Biofuels Mandate to all lic	quid transport fuel?	
	☐ Yes, I agree	oxtimes I agree in part	☐ No, I don't agree	\square Not sure/no preference	
	Please explain yo	ur views.			
	We would have to be confident that that use of biofuels in the current bus and coach fleet would not damage engines. We recommend that MBIE consults more closely with OEM manufacturers (such as Scania/MAN/ADL) to ensure that biofuels do not incur undue costs on the industry to mitigate any potential damage.				
4.		initial emission reduction hat should they be?	on percentages for 2023—	2025 appropriate for New	
		\square I agree in part	☐ No, I don't agree	\square Not sure/no preference	
	Is there anything you would like to tell us about the reason(s) for your choice?				
	The proposed tar	gets seem reasonable.			
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	\square Not sure/no preference	
	Is there anything	you would like to tell us	about the reason(s) for y	our choice?	
	Our opinion on th	nis is dependent on its final	l implementation, and any f	ollow on effects to fuel prices.	

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?				
	No opinion on the	prospective targets.			
7.	Do you support the proposal that biofuel producers must be certifed 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 y	ou would like to tell us	about the reason(s) for yo	ur choice?	
	We support ensur	ing that biofuel productio	n is ecologically sustainable.		
8. Do you support having a joint fuel industry/government information campaign to inform Zealanders about biofuels and the Sustainable Biofuels Mandate?			n campaign to inform New		
	∑ Yes, I agree	☐ I agree in part	☐ No, I don't agree	☐ Not sure/no preference	
	Is there anything y	ou would like to tell us	about the reason(s) for yo	ur choice?	
	[insert response h	ere]			
9.	Do you support the labelling proposal that informs consumers about specifc 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 y	ou would like to tell us	about the reason(s) for yo	ur choice?	
	Lack of informatio	n for any party can be cor	nsidered a market failure.		
10.	O. Should New Zealand try to overcome the challenges that domestic biofuel producers face in maintaining access to afordable supplies of domestically produced feedstocks? Do you have an suggestions for how this challenge could be overcome?				
		☐ I agree in part	☐ No, I don't agree	☐ Not sure/no preference	
	Is there anything y	ou would like to tell us	about the reason(s) for yo	ur choice?	
	Bus and Coach supports domestic industries. A burgeoning domestic supply limits our exposure to external supply chain shocks and improves NZ's resilience.			ply limits our exposure to	

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	\square I agree in part	☐ No, I don't agree	☑ Not sure/no preference
	Is there anything y	ou would like to tell us a	about the reason(s) for yo	ur choice?
	Please consult wit	h technical specialists.		
12.	Do you agree with	the method for calculat	ing a supplier's GHG emis	sion reduction?
	☐ Yes, I agree	\square I agree in part	☐ No, I don't agree	☑ Not sure/no preference
	Is there anything y	ou would like to tell us a	about the reason(s) for yo	ur choice?
	Please consult wit	h technical specialists.		
13.	Do you think the a appropriate?	nnual reporting regime,	including its offences and	fines, is practical and
	☐ Yes, I agree	\square I agree in part	☐ No, I don't agree	☑ Not sure/no preference
	Is there anything y	ou would like to tell us a	about the reason(s) for yo	ur choice?
	[insert response h	ere]		
14.		e performance of fuel sury leaders in reducing GH	appliers being published to	o enable consumers to
	☑ Yes, I agree	☐ I agree in part	☐ No, I don't agree	☐ Not sure/no preference
	Is there anything y	ou would like to tell us a	about the reason(s) for yo	ur choice?
	The BCA supports	transparent information.		
15.	Will the proposed penalties encourage fuel suppliers to achieve the required emission reductions? If not, would level should they be?			
	☐ Yes, I agree	\square I agree in part	☐ No, I don't agree	☑ Not sure/no preference
	Is there anything y	ou would like to tell us a	about the reason(s) for yo	ur choice?
	Please consult wit	h technical (fuel supply) sp	ecialists.	
	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	\square I agree in part	☑ No, I don't agree	\square Not sure/no preference
	Is there anything y	ou would like to tell us a	about the reason(s) for yo	ur choice?
	[insert response h	ere]		

17.	reduce the percentage needed to be achieved the following year?				
	☐ Yes, I agree	\square I agree in part	⊠ No, I don't agree	\square Not sure/no preference	
	s there anything you would like to tell us about the reason(s) for your choice?				
	[insert response he	ere]			
18.	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	\square 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 not the ETS. The system needs to work on actual emissions reduction over a defined time period, any gains or losses made, should not be transferred or banked to offset another period, they should be allocated to the period they occurred.				
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 he	ere]			