Port Taranaki Limited

Submission

MBIE Consultation Paper –Onshore Fueling Stock (January)

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Background Port Taranaki

1. Port Taranaki is a significant Taranaki regional asset that facilities regular trade of over 5 million tonnes annually generated by the forestry, oil, gas and petrochemical sectors and supports food production through the importation of feed and fertiliser. **It is a lifeline utility supporting importation of fuel for the region.**
2. Port Taranaki has been working with and alongside customers operating significant hazardous facilities within the Port Zone for many years. These include Methanex, Greymouth Petroleum, **BP**, Road Science, Technix and Liquigas. The Newton King Tanker Terminal although not classified as a significant hazardous facility is operated by Port Taranaki as if it were one. **Storage, handling, and transportation of hazardous substances, including road fuels, through the Port is an important function supporting trade opportunities for the region.**
3. Port Taranaki is the only deep-water seaport on New Zealand's west coast. It occupies a strategic location on the coast connecting New Plymouth with the rest of New Zealand and international markets.
4. Road connection via Breakwater Road is State Highway 44 to the main (western) port gate, where there is a rail termination point of the Marton to New Plymouth line operated by KiwiRail.
5. Port Taranaki has nine fully serviced berths which provide for a variety of cargoes and vessels. The port is a servicing base for sea transport and related industries and provides related maritime, support and heavy lift services for offshore and onshore oil, gas, and mineral work. Cargoes are predominantly bulk in nature.
6. Total vessel arrivals range between 450-500 per annum. Trade vessels (exchanging the 5 million tonnes of cargo) range between 265-300 per annum with the remaining number supporting the offshore oil and gas exploration and production sector.
7. On an overall trade volume basis, Port Taranaki is the third largest port in New Zealand, making it especially important to the region and the nation.
8. Loading and unloading of liquid bulk cargoes is supplemented by offsite storage for bulk liquids. **The Port Zone and surrounding industrial area is well connected with pipelines directly to the Newton King Tanker Terminal. This connection facilitates the offloading, storage, and regional distribution of road fuels.**

Significant Hazardous Facilities located at Port Taranaki

9. In addition to The Liquigas and Methanex sites within the Port Zone, Port Taranaki owns a parcel of land at 281A Centennial Drive that is leased to BP. The BP facility is well located close to the Port Zone and connected via a pipeline to the Newton King Tanker Terminal. **This is a road fuels storage facility and an important regional hub for the import and distribution of vehicle road fuels around the province.**

Port Taranaki Submission

10. Port Taranaki's submission is not intended to comment on the merits of the individual proposals under review by the government for fuel storage. It is our intention to further inform the discussion by considering how we can support a fuel storage strategy that delivers resilience to fuel supply at both a regional and national level.
11. MBIE Consultation Question: 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?
    a. The road fuel facility at the Omata Tank farm in New Plymouth is owned by Port Taranaki and leased to BP New Zealand Ltd (refer blue boundary in image in paragraph –12). This facility currently imports and discharges road fuels for BP, Mobil and Z. Adjacent to the Port Taranaki owned Omata Tank Farm facility are several other tanks owned by other parties. It is Port Taranaki's understanding that one or more of the tanks adjacent to the BP facility could be surplus to requirements and therefore available to provide additional fuel storage with appropriate refurbishment and certification. With proximity to the BP facility this could facilitate a low-cost tie-in and low-cost alternative to construction of new storage infrastructure.

12.

13. The MBIE consultation paper discusses the "ability to withstand a fuel supply disruption"
    a. Port Taranaki proposes that should MBIE mandate minimum stockholding requirements then it would make sense to hold at least some stock regionally. This mitigates the risk of a single point of failure. By diversifying the storage of fuel stocks regionally New Zealand is not dependent on a single facility in the event of a fuel crisis.
        i. Reduces risk of roading network outage on National fuel supply as fuel is stored in multiple locations.
        ii. Reduces risk of impact of a pipeline outage as fuel is stored in multiple locations.
        iii. Could facilitate coastal shipping options in the event of a fuel crisis.
    b. In the event of extended boarder closures supply chains become congested. This is particularly evident in Ports that have a significant reliance on container trade. Having multiple Port storage solutions creates flexibility in the supply chain and creates options for vessels delivering road fuels to New Zealand. As the only deep-water Port on the West Coast of New Zealand and with no container trade Port Taranaki can provide a flexible option and improve resilience.
14. The MBIE consultation document notes the high cost of building new infrastructure to support a minimum fuel stockholding option.
    a. Port Taranaki notes that the area within the Port Industrial zone has a number of tanks (owned by other parties) that are surplus to requirements. With proximity to existing port facilities, networked pipelines, and the BP road fuels storage facility this could be an attractive and load cost option worth additional consideration.

Summary

15. Port Taranaki can assist New Zealand with viable storage options in the Taranaki region should the government decide to pursue a fuel resilience strategy incorporating minimum stockholding requirements. The end-to-end supply chain facilitating such a strategy is largely in place and with some repurposing of existing regional infrastructure would accommodate the strategy.

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