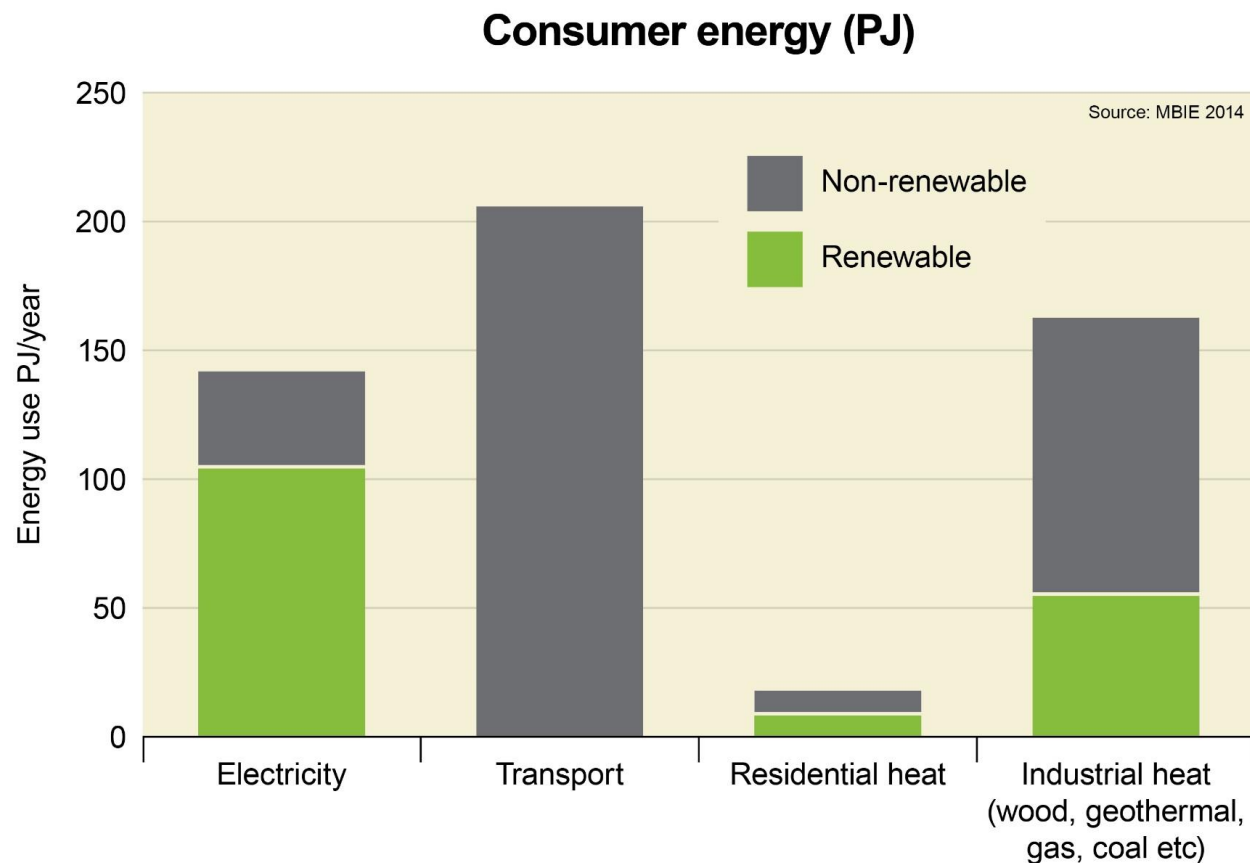


Overview to New Zealand Biofuels

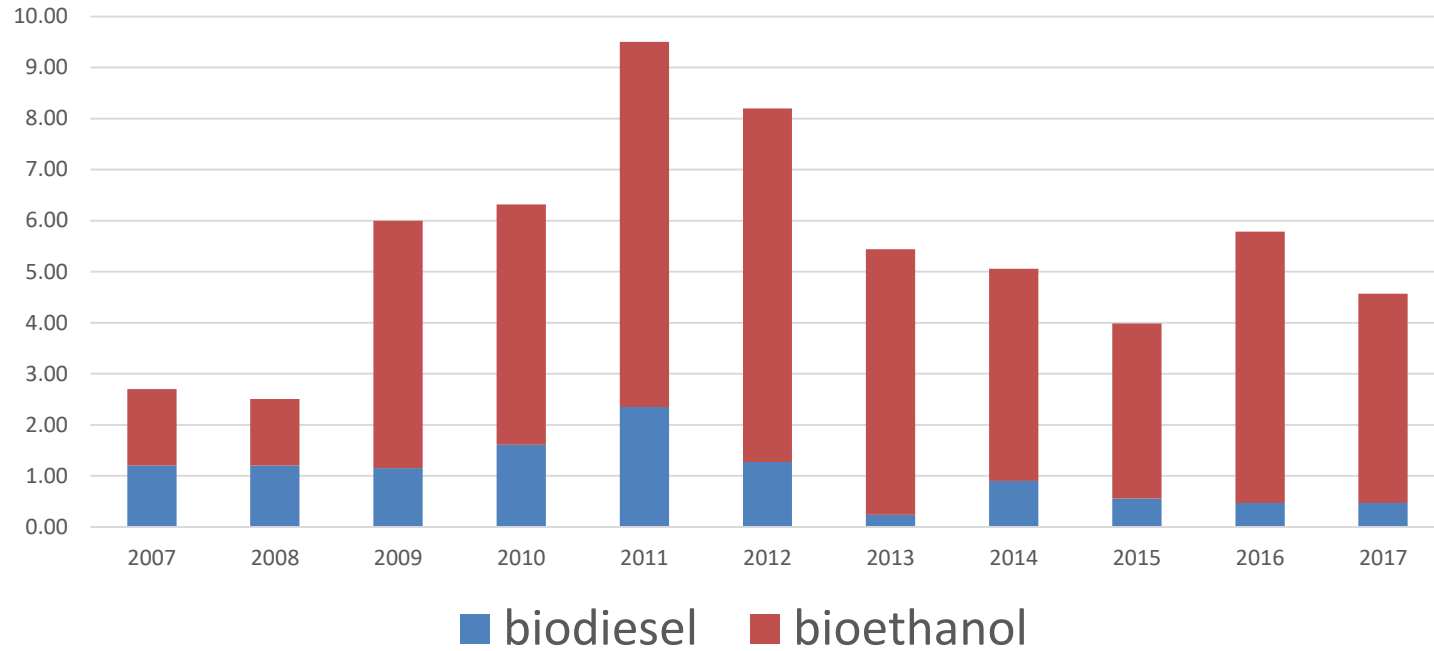
Paul Bennett - May 2019



NZ Energy Consumption – Reduction targets



NZ Biofuel Production (in Million Litres)



Total Fuel consumption 7.8 Billion litres. Biofuels 0.06% of total

- Bioethanol from Whey
- Biodiesel from UCO

Z energy 20M litre biodiesel plant started production in late 2018 using tallow as a feedstock

Policy Position

- Blends of 10% bioethanol and 7% biodiesel allowable
 - ETS (~25 NZ\$/te CO₂) zero-rates biofuel portion of fuel
- Bioethanol is exempt from excise duty (NZ\$0.595/l) but biodiesel is not
- Uncertainty created by introduction and then removal of obligation
 - 0.5% obligation in 2008, increase by 0.5% pa, repealed on change of Government within the same year
- Funding available for R&D and for feasibility studies from Government

Biomass mostly used in industrial heat in New Zealand, but new Government policy and targets:

- 2017 new renewable energy targets (and EV targets),
- Net zero carbon by 2050,
- One billion tree policy
- More active Government consultation on the role of bioenergy and biofuels – Productivity commission

Productivity Commission – August 2018

- Decarbonising heavy transport (such as trucks, planes and ships) is more challenging than for light vehicles. Large reductions will rely on further advances in technology. Some of the key mitigation opportunities are electrification and switching to drop-in biofuels. Yet, the most effective solution is not yet clear, and may involve a mix of fuel sources. The Government should pursue a mix of policies that provides even-handed support for these technologies.

www.scionresearch.com



Prosperity from trees *Mai i te ngahere oranga*

Scion is the trading name of the New Zealand Forest Research Institute Limited