

# New Zealand implementation agenda Update - 2018

Ian Suckling  
April 2018



# Things are changing

- Work currently underway to define best options to meet Paris GHG reduction targets
  - buying international credits?
  - emissions reductions?
  - plant forests?
  
- Change of Government
  - aims to reduce our emissions to net zero by 2050
  - plans a new Zero Carbon Bill in 2018 including a new emissions reduction target for 2050
  - plans to establish an independent Climate Change Commission (based on UK model)

# Emissions trading scheme (ETS)

- Currently seen as key tool to reduce the country's carbon emissions
- Based on tradeable units and covers most sectors of the economy
  - agriculture (47% of the emissions) currently not included
  - price of NZU capped at NZD 25/tonne CO<sub>2</sub>-e
- Zero-rates the biofuel component of any transport fuel
  - carbon prices too low to significantly influence behaviour
  - e.g. for petrol, ETS ~NZD 0.03 vs retail price of ~NZD 2.00
- Carbon emissions from international aviation & shipping outside ETS
  - Most marine & aviation fuel offtake for international travel

# Other current policy

- Currently quite limited support for biofuel implementation
- Excise tax exemptions for ethanol use in transport fuels
  - currently NZD 0.595 vs retail price of ~NZD 2.00
- R,D&D support via various mechanisms (not biofuel-specific)
- Retail sales allow blends of up to E10 and B7
- Package of policy measures to support EVs

# NZ production of liquid biofuels

|      | Biodiesel, ML | Bioethanol, ML | Total, ML |
|------|---------------|----------------|-----------|
| 2010 | 1.6           | 4.2            | 5.8       |
| 2011 | 2.4           | 4.8            | 7.2       |
| 2012 | 1.5           | 5.7            | 7.2       |
| 2013 | 0.2           | 5.0            | 5.2       |
| 2014 | 0.9           | 3.3            | 4.2       |
| 2015 | 0.6           | 2.9            | 3.4       |
| 2016 | 0.5           | 4.8            | 5.3       |

- Biofuels less than 0.1% of total liquid fuel offtake
- Drop in biodiesel production due to end of biodiesel grants scheme in 2012
- 20 M litres biodiesel from tallow to come on stream in 2018
- Ethanol from whey - some of ethanol imported