

Biofuels maker says policies needed to cut carbon

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Z Energy's biofuels plant at Wiri, Auckland

FUEL RETAILER Z Energy says direct intervention is the fastest and most effective way to decarbonise the transport sector.

In May, Z Energy announced it was halting production at its biofuels plant at Wiri – the only one in the country - saying competition from companies in countries where biofuels are subsidised is driving up the cost of the tallow it uses as a feedstock.

Last week, a new Government report said New Zealand should be prioritising the development of biocrude and liquid biofuels for heavy transport from woods waste.

But Z Energy says the Government needs to put in place policies that directly support the use of low-emissions fuels.

“Whilst all investigations into decarbonisation opportunities and biofuels are very much welcomed by us, a policy platform that is clearly about causing low-carbon transport choices is what we are focused on advocating for when it comes to any further opportunity for our Wiri plant,” a spokesperson said.

Low-carbon fuels standard

“In the short term, we think a biofuels mandate to complement other existing policies which target specific technically proven decarbonisation options, such as the excise exemption on ethanol and funding through the Low Emission Vehicles Contestable Fund, would be a workable option for New Zealand and we have submitted to this effect to the likes of the Climate Change Commission and the Ministry of Transport.”

Bioenergy in the news

The company also supports the adoption of a Californian-styled low-carbon fuels standard, with a sinking cap on the carbon intensity of fuel, which it says would encourage the switch to biofuels and electrification of the transport system.

Z Energy owns 15.4 per cent of Refining New Zealand, which operates the country's only oil refinery, at Marsden Point.

Operations at the refinery are already being scaled back, and the company is considering stopping refining altogether and using the port as a terminal for imported fuels.

The Z Energy spokesperson said the company would not be commenting on the future of the refinery while a strategic review was under way.

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