

# Sustainable Biofuel Obligation Bill

## Climate Justice Taranaki Submission to the Parliamentary Environment Committee, 11 Jan 2023

Climate Justice Taranaki Inc. (CJT) is a community group dedicated to environmental sustainability and social justice. This includes issues of inter-generational equity, notably in relation to climate change, which will increasingly impact present and future generations' inalienable rights to safe water, food and shelter, crucial to sustaining livelihoods and quality of life. Comprised of a broad range of people with varied expertise and life experiences, CJT has engaged respectfully with government on numerous occasions. Many of the key points raised in our submissions have proven accurate. We do not profit financially from this work or have links to the relevant industries. We ask that the points raised here below be considered carefully.

### Our key points

1. We urge that the Sustainable Biofuel Obligation Bill be scrapped.
2. Ban all food and feed derived biofuels, imported, or locally produced.
3. Critically assess bioenergy derived from supposed waste and residues, rather than exempting it from sustainability criteria.
4. Too much power is given to the Minister in the proposed Bill.
5. Implement progressive policies to really cut transport emissions, focussing on expanding free and affordable public transport services, facilitating active transport, reducing car ownerships and vehicle kilometres travelled (VKT), banning all advertising for fossil fuel vehicles and travels, putting freight on rail, electrification, and fostering community resilience.

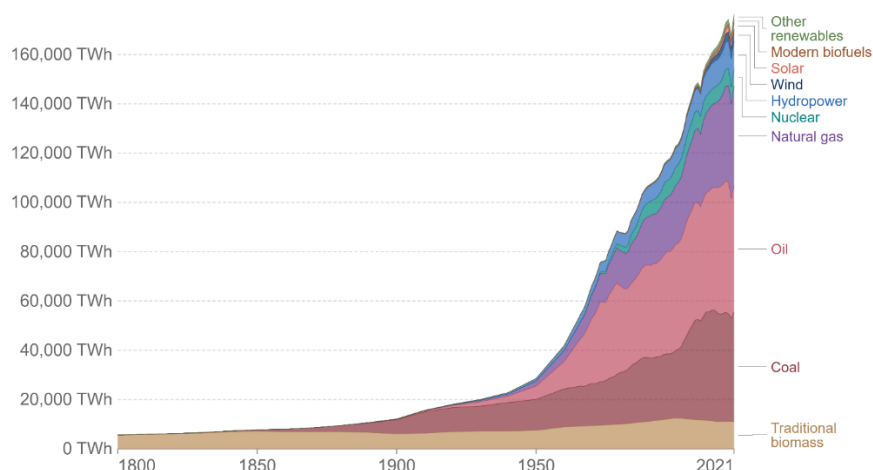
### Part 1 of the Bill

6. The purpose of the Act – *“to provide for an obligation to reduce greenhouse gas emissions by increasing the supply and use of sustainable biofuels for transport purposes”* is a non sequitur and is set to fail. *“Increasing the supply and use”* of sustainable or renewable fuels or energy does not equate to reducing greenhouse gas (GHG) emissions. Despite the development and growth of renewable energy globally, fossil fuel energy consumption has continued to increase<sup>1</sup>, with an associated increase in GHG emissions<sup>2</sup>.

#### Global primary energy consumption by source

Primary energy is calculated based on the 'substitution method' which takes account of the inefficiencies in fossil fuel production by converting non-fossil energy into the energy inputs required if they had the same conversion losses as fossil fuels.

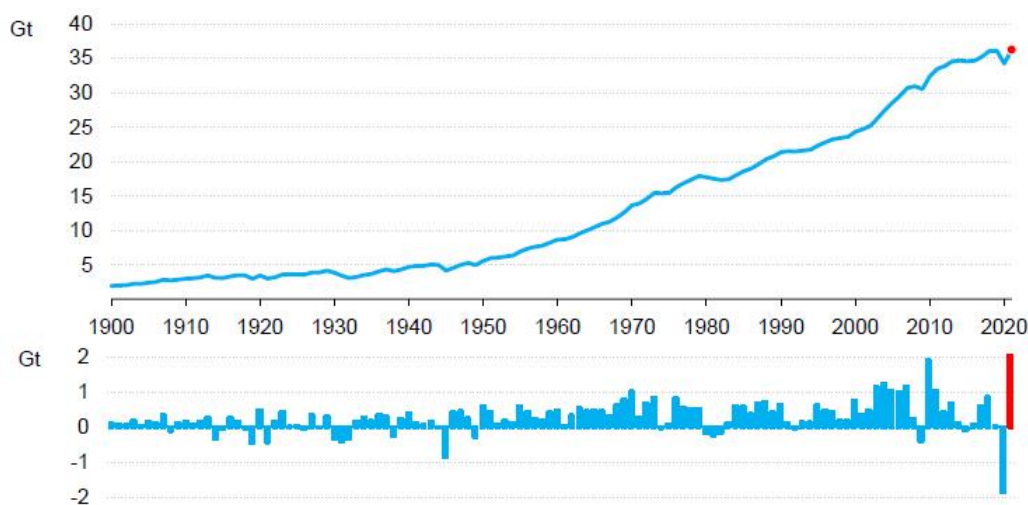
Our World  
in Data



Source: Our World in Data based on Vaclav Smil (2017) and BP Statistical Review of World Energy

OurWorldInData.org/energy • CC BY

Total CO2 emissions from energy combustion and industrial processes and their annual change, 1900-2021 (IEA, 2021)



7. Similar policies, notably the Renewable Energy Directive in the European Union, have failed, with clear lessons that must be learnt to avoid regrettable mistakes in New Zealand. A 2021 briefing<sup>3</sup> by Transport & Environment, a clean transport campaign group in Europe, pointed out:
 

*“Since 2011, EU drivers have burned around 39 Mt of palm and soy biodiesel together, which emitted around 381 Mt CO<sub>2</sub>eq (including ILUC<sup>4</sup> emissions from the GLOBIOM model). This is three times more than what would have been emitted if EU drivers would have used fossil diesel instead. The significant increase in the share of crop based biofuels in 2020 shows the negative impacts of 10 years of EU fuels policy and highlights the need to adopt stricter safeguards in EU policy.”*
8. Existing biofuel certification schemes are largely voluntary and offer little assurance. A 2016 Special Report<sup>5</sup> by the European Court of Auditors found that:
 

*“the assessments carried out by the [European] Commission as a basis for recognition of voluntary schemes did not adequately cover some important aspects necessary to ensure the sustainability of biofuels. In particular, the Commission did not require voluntary schemes to verify that the biofuel production they certify does not cause significant risks of negative socioeconomic effects, such as land tenure conflicts, forced/child labour, poor working conditions for farmers and dangers to health and safety. Similarly, the impact of indirect land-use changes (ILUC) on the sustainability of biofuels is not covered by this assessment. Although we acknowledge the technical difficulties in assessing the impact of ILUC, the relevance of the EU sustainability certification system is undermined without this information.”*
9. We are especially concerned that ultimately, the huge demand and the economy of scale would drive more forest clearance, burning and land conversion for biofuel crop plantations, thus destroying local ecology and removing crucial forest and soil carbon sink. The loss of carbon sink, together with the emissions that are unavoidable when burning any biofuel, would only worsen climate impacts. Notably, hundreds of scientists have recently written a joint letter to world leaders, pointing out the serious mistakes of classifying forest biomass energy as ‘carbon neutral’ and relying on bioenergy carbon capture and storage (BECCS) to meet net zero goals<sup>6</sup>.

## Part 2 of the Bill

10. Part 2 subpart 2 of the Bill provides far too much flexibility to obliged persons to evade obligations, through 'banking' excess reductions, borrowing from future years and trading.
11. Together with Schedule 1, the Minister is given power to allow obliged persons to go beyond the set flexibility measures, and recommend which biofuels are sustainable, with potential for further rorting of the system.
12. We therefore cannot accept Section 13(1): *"The Governor-General may, by Order in Council made on the recommendation of the Minister, prescribe which biofuels are sustainable biofuels."*
13. Section 13(2) - the criteria based on which sustainable biofuels are prescribed are too vague and subjective. The phrases *"are not likely to"* and *"significant adverse effect"* used throughout the criteria lack objectivity, without definition, lack any scientific basis. They also omit socioeconomic considerations for local and indigenous communities overseas or in New Zealand.  
  
Section 13(3) states that the same sustainability criteria *"apply equally regardless of the extent to which those biofuels or the feedstocks from which they are sourced, as the case requires, are cultivated, produced, or processed in New Zealand or outside New Zealand."*
14. Yet it is not possible to comprehensively carry out such assessments of biofuels from outside New Zealand, and we should not simply rely on existing certification schemes overseas, as explained earlier.
15. Notably Oxfam Aotearoa warns<sup>7</sup>, *"Producing crop-based biofuels directly competes with food production and has the potential to drive up the price of food commodities, contributing to global hunger. Demand for agricultural land to grow crops for biofuels has also driven speculative investment in land and displacement of farming communities."*
16. We cannot accept section 13(4) and 13(5). Biofuels made from feedstock that is classified as waste or residue product should not be exempt from all sustainability criteria - section 13(2)(a) and (b) and life cycle analyses. In addition to common environmental issues, there are complex implications in promoting bioenergy from supposed waste or residues (e.g. wood 'waste' ). These include competition with other ecologically or economically valuable uses, potentially adding demand for virgin materials, and creating market incentive to perturbate waste creation, thereby undermining zero waste<sup>8</sup> and a true circular economy.

## Part 3 of the Bill

17. The proposed legislative powers for the Environmental Protection Authority (EPA) to *"monitor and enforce the new requirements"* need to be matched with budgetary and human resource investment, if the Bill proceeds.
18. Furthermore, we believe that either a well resourced EPA or Climate Change Commission would be in a better position (than the Minister) to properly assess and recommend prescription of sustainable biofuels.

## Final points

19. Our group supports the submissions by Don't Burn Our Future (for Low Carbon Kāpiti Inc.)<sup>9</sup> and Aotearoa Oxfam, both of which provide excellent analyses, rationale and advice re biofuels and biofuel obligations. We ask that the Environment Select Committee consider these submissions thoroughly, including points that we have not covered in ours.
20. The growth economy is absolutely reliant on fossil fuels which exacerbate climate impacts and other ecological and social harm. Too much fossil fuel has already been burnt to enable the transportation and export of commodities, or to move people around for work, business, and pleasure. Renewable energy technologies, including biomass and biofuel production, cannot supply enough energy to support the current level of economic activities, let alone growth. Any unfettered push of bioeconomy growth, be it for transport or industries, would cause land use conflicts, including land for food production, biodiversity and cultural wellbeing, resulting in ecological and social harm, in New Zealand and overseas<sup>10</sup>. The economic costs of some of these technologies and so-called 'transition fuels', in the form of rising fuel or food prices, are likely to increase the burden on those who are least able to afford it and exacerbate social inequality.
21. The only wise and responsible thing to do is to substantially reduce our total energy use (half by 2050)<sup>11</sup>, ditch the economic growth mantra, and degrow<sup>12</sup> to within biophysical limits<sup>13</sup>. Implement tax and other systemic reforms that enable the redistribution of wealth for greater public services. Invest in care for people and nature, now and into the future.

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<sup>1</sup> <https://ourworldindata.org/energy-production-consumption>

<sup>2</sup> <https://iea.blob.core.windows.net/assets/c3086240-732b-4f6a-89d7-db01be018f5e/GlobalEnergyReviewCO2Emissionsin2021.pdf>

<sup>3</sup> <https://www.transportenvironment.org/wp-content/uploads/2021/07/Biofuels-briefing-072021.pdf>

<sup>4</sup> ILUC – Indirect landuse change

<sup>5</sup> [https://www.eca.europa.eu/Lists/ECADocuments/SR16\\_18/SR\\_BIOFUELS\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR16_18/SR_BIOFUELS_EN.pdf)

<sup>6</sup> <https://www.theguardian.com/environment/2022/dec/05/stop-burning-trees-scientists-world-leaders-cop15-age-of-extinction-aoe>

<sup>7</sup> <https://www.oxfam.org.nz/wp-content/uploads/2022/10/Dont-Burn-Food-Policy-Briefing.pdf?fbclid=IwAR1XS10OyYQ9iJKwe1WmpKKLk0b2EU1a1PBaYZMiSM2VHzY3rHrMeLkrIjQ>

<sup>8</sup> <https://zerowaste.co.nz/waste-to-energy-incineration/>

<sup>9</sup> <https://lowcarbonkapiti.org.nz/wp-content/uploads/2022/12/DBOF-biofuels-Environment-Select-Committee-Submission-draft-v1-15-12-22.pdf?fbclid=IwAR0X2p6L9lzXJLhXNmU2jeyXmCdcNCNgBa2ZNXRdkZ8RctRHoGXaQRKNp3E>

<sup>10</sup> <https://www.theguardian.com/commentisfree/2022/jun/30/crops-cars-starving-biofuels-climate-sustainable>

<sup>11</sup> [https://phys.org/news/2022-04-halve-energy-climate-catastrophe.html?fbclid=IwAR2u7DI0a2d\\_nuAQwJm2b6fiq0PwyFeJrKfvojF9CgasBEUsrzSBxhukyB4](https://phys.org/news/2022-04-halve-energy-climate-catastrophe.html?fbclid=IwAR2u7DI0a2d_nuAQwJm2b6fiq0PwyFeJrKfvojF9CgasBEUsrzSBxhukyB4)

<sup>12</sup> [https://www.youtube.com/watch?app=desktop&v=omcUaD8pxaY&feature=share&fbclid=IwAR2V7EjhcK6wZThEWw\\_pz38hSPbqNxGwFASUAPYO3W2bOpSVj794jzJfVSGc](https://www.youtube.com/watch?app=desktop&v=omcUaD8pxaY&feature=share&fbclid=IwAR2V7EjhcK6wZThEWw_pz38hSPbqNxGwFASUAPYO3W2bOpSVj794jzJfVSGc)

<sup>13</sup> <https://www.newsroom.co.nz/sustainable-future/jack-santa-barbara-the-planetary-emergency-that-isnt-climate-change>