



Setting National Fuel Quality Standards *Proposed Management of Diesel/biodiesel Blends*

Australian Government Position Paper January 2008

ICLEI Oceania is pleased to provide the following comments in response to the Australian Government's call for submissions on the above position paper. It should be noted, however, that the focus of ICLEI's work is sustainability rather than fuel quality.

- ***Should biodiesel blends be capped at B5 and meet the diesel standard?***

ICLEI Oceania feels that these are two separate questions. If a biodiesel blend meets the diesel standard then, in terms of fuel quality standards, there should be no need for a cap.

- ***Should a 'B5 only' cap be adopted or should both B20 and B5 blends be permitted?***

Certain regions of Australia will have the capacity to produce higher biodiesel blends that both meet the diesel standard and use sustainable feedstock. In such circumstances, limiting the blend to B5 could have a negative impact on the fuel's life cycle impact by encouraging the transport of excess biodiesel elsewhere rather than it being used locally.

Your comment is invited on labelling requirements for B5.

- ***Should B5 blends be labelled?***

- ***If so, is a statement that the fuel "contains 5% biodiesel" or "up to 5% biodiesel sufficient?"***

All biodiesel blends should be labelled according to the specific percentage of the blend and include a stewardship certification to ensure the sustainability of feedstock and production methods. Not only will this increase consumer awareness and confidence regarding the use of biodiesel but ensure that the market is responding appropriately to issues of sustainable and ethical supply of feedstock as well as sustainable production methods.

For the purposes of quantifying and reporting emissions abatement from the uptake of biodiesel, the percentage blend would need to be verifiable. Without this, organizations seeking to reduce their greenhouse gas emissions will be unable to account for an emission reduction from the use of biodiesel. This may act as a disincentive to any wider-scale uptake of biodiesel.

ICLEI Oceania believes that any proposal that would influence the market uptake of biodiesel needs to also take into account the full life-cycle impacts of the fuel. For further details on ICLEI's position in this regard, please refer to an earlier submission made in response to the Victorian Government's Parliamentary Inquiry into Mandatory Ethanol and Biofuels Targets in Victoria, August 2007. It is attached and also available at:

http://www.parliament.vic.gov.au/edic/inquiries/biofuels/call_for_submissions.html

A more comprehensive ICLEI Oceania report on biodiesel is available at:

<http://www.iclei.org/index.php?id=7076>