

Enquiries Scott McDowall
Telephone (07) 3227 8565
Your reference
Our reference BNE 5447

30 April 2003

Mr G Marshall
A/g Assistant Secretary
Atmosphere and Sustainable Transport
Environment Australia
GPO Box 787
CANBERRA ACT 2601

Dear Mr Marshall

Thank you for your letter of 31 March 2003 seeking submissions regarding the discussion paper entitled "*Setting National Fuel Quality Standards, Paper 6 - National Standard for Biodiesel*". The opportunity for involvement in this important standard setting process is greatly appreciated.

In my view, the discussion paper presents a balanced and thorough discussion of the issues surrounding standards for biodiesel, and provides a valuable summary of current information regarding emissions from vehicles operating on biodiesel.

Responses to specific issues raised in the discussion paper are attached. Should you have any queries, please contact Mr Scott McDowall on telephone (07) 3227 8565 or e-mail scott.mcdowall@epa.qld.gov.au.

Yours sincerely

James Purtill
Director-General

Level 17 160 Ann Street Brisbane
Queensland 4000 Australia
PO Box 155 Brisbane Albert Street
Queensland 4002 Australia
Telephone 3227 8850
Facsimile 3227 6485
Website www.epa.qld.gov.au
ABN 87 221 158 786

Queensland EPA responses to Biodiesel Discussion Paper

Section 2

- It is important to develop a mandated national fuel quality standard for biodiesel to help the industry to develop in an orderly fashion. Potential manufacturers need a level playing field and certainty regarding what will be expected of them. Potential users need certainty that when they see the sign “biodiesel” on a bowser anywhere in Australia, the fuel will not cause any emissions, operating or maintenance problems. Without the confidence that enactment and enforcement of mandatory national standards would provide, it is difficult to see the industry developing beyond niche markets in Australia.
- Provided any unique Australian circumstances are adequately accounted for, the EPA supports harmonisation of an Australian biodiesel standard with appropriate international standards. Harmonisation allows for rapid uptake of new technology, and helps ensure that the Australian fuel and vehicles industries, as they develop capacity to manufacture and use biodiesel, are competitive in the world market.

Section 3

An Australian standard for biodiesel should only address the characteristics and composition of biodiesel. Prescribing feedstocks or production technologies could stifle innovation and entrench non-optimal feedstocks and technologies. It is nevertheless recognised that prescribing certain characteristics could make it difficult to use particular feedstocks or production technologies, and this should be taken into consideration in the standard setting process.

Section 4

Close attention should be paid to the potential impact of biodiesel on elastomers and natural rubber components of fuel pump seals and fuel systems in the existing fleet, particularly pre-1995 vehicles that are unlikely to have been built with biodiesel-resistant materials. Experience with fuel pump seal leaks when the BP refinery in Brisbane produced low sulfur diesel with ultra low aromatics content in 2000 would indicate that many pre-1995 vehicles, particularly farm vehicles, still have the original elastomer and rubber components. Precautions such as labelling and differentiation in the marketplace could be taken to protect vehicles that are not compatible with biodiesel. Alternatively, a retrofit program could be appropriate if relatively small numbers of vehicles are potentially affected.

Section 5

As a general principle, the approach to biodiesel blends should be designed to minimise administrative overheads for government, industry and consumers. In this regard, the option of ensuring that both blend stocks meet relevant quality standards, but not controlling the blending activities or the percentage blended is attractive. Nevertheless, an appropriate mechanism is needed to discourage unscrupulous downstream operators from adding low quality components to biodiesel blends.

Sections 6, 7, 8, 9 and 10

As a general principle, it would be appropriate to establish a minimum set of standards for biodiesel that would ensure:

- no significant adverse impacts on the operability or longevity of the existing diesel vehicle fleet or diesel vehicle technologies expected to be used in Australia in the foreseeable future;
- no significant deterioration in in-service emissions from the existing diesel vehicle fleet or diesel vehicle technologies expected to be used in Australia in the foreseeable future; and
- no disadvantageous interaction when blended with petroleum diesel.

However, the EPA does not have the expertise to comment on the highly specific technical issues that are raised in these sections of the discussion paper.

30 April 2003