

Gull Petroleum Submission – Paper 6 National Standard for Biodiesel

Thankyou for the opportunity to participate in this important process. Gull has followed the Biodiesel developments overseas for sometime. However we have very limited expertise in its production and use. As such we have limited our comments to areas where we feel we can contribute.

Page 11, What is your view on the need to develop a mandated national fuel quality standard for biodiesel?

For the successful commercialization of Biodiesel, a national quality standard is paramount. Without a common standard;

- the product will struggle to gain wide spread acceptance by the broader industry
- will assist with investment decisions, enables trade between states (which is currently hampered by differing state specifications for petroleum fuels!)
- enables consumers to confidently purchase Biodiesel at all locations
- promotes competition

Page 11, What is your view on harmonization of any Australian biodiesel standard with European and/or US biodiesel specifications?

Australian standards for other transportation fuels have heavily drawn on the appropriate European standards and we believe biodiesel should also. The two key reasons are the that European vehicle technology remains at the forefront, and biodiesel has been available to and consumed by the general public in parts of Europe for some time.

Page 13, Do you consider that an Australian standard for biodiesel should prescribe feedstocks or production technologies, or should the standards only address characteristics and compositions of biodiesel?

Biodiesel is an end product, a fuel to be consumed in place of existing petroleum alternatives (generally). It should be treated as if it were a petroleum fuel and in this instance only the end product is specified, not any up stream processes or feedstocks. This might have the unintended consequence of limiting competition and availability or consumer acceptance.

Page 23, What are your views on biodiesel blends?

Specific biodiesel standards should only apply to the neat form. Any blends, whether B10 or other should comply with the appropriate diesel standards plus appropriate labeling to inform consumers. The biodiesel prior to blending with fossil diesel should meet the neat biodiesel specification.

We do not feel suitably qualified to comment on specific test methods and parameter levels. However Gull supports the guiding principles stated on page 9 of this paper, in particular the need for competition.

Finally a very important factor in allowing biodiesel to achieve its potential of becoming a mainstream fuel lies in having the appropriate government policies and excise regimes in place that allow biodiesel to be blended with petroleum diesel. We believe consumers would readily accept a B10 or B20 blend, but currently this is not commercially feasible given the unfavourable taxation treatment of such blends.