



12th December 2018

EECA 2019/20 Levy Consultation

Z Energy supports the EECA work programme to ensure New Zealand has a sustainable energy system. We support the move towards efficient and low emission transport. We also believe that this support should not be limited to a focus on electric vehicles but should support a sustainable transport system as a whole.

The EECA programme to encourage the uptake of low emission vehicles does need to be funded, and we agree that the PEFM can be used for this purpose. However, we also note that transport can become more sustainable and have lower emissions by substituting mineral fuel with a renewable fuel option (biofuel). We encourage an equivalent support programme to incentivise the uptake of renewable low carbon fuels such as biodiesel, bioethanol and sustainable aviation fuel.

We think it's important to ensure that an adequate portion of the PEFM is earmarked to monitor the quality of the fuel sold in New Zealand. We want to ensure that the financial input into fuel quality monitoring is enough to allow a robust and statistically valid programme to be completed each year, recognising that New Zealand has seasonal and regional fuel specifications.

Hence, it's important to ensure that the EECA percentage of the PEFM levy is not so high that it imposes financial constraints for an effective and valid fuel quality monitoring scheme to still be possible. To ensure that the scheme is relevant, the programme should follow the minimum requirements detailed in BS EN 14274 : 2013 AUTOMOTIVE FUELS - ASSESSMENT OF PETROL AND DIESEL QUALITY - FUEL QUALITY MONITORING SYSTEM (FQMS).

The PEFM scheme's purpose is to ensure that the quality of fuels in the New Zealand market is monitored and provides an independent confirmation of the compliance of the fuels with New Zealand regulations. We would not like to see this programme downgraded. While Z has a robust and detailed quality assurance plan to manage the quality of fuel we supply to our customers, it is important that an independent scheme is in place to verify fuel quality and provide assurance to the public of the high quality of fuels supplied in New Zealand.

In summary, while we support the use of the PEFM for increasing the uptake of low emissions vehicles, this should not be at the expense of the fuel quality monitoring scheme. We also want to ensure that incentive schemes for one mode of low emission transport (electric vehicles) are not encouraged over another (such as biofuel).

Regards

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