

Bioenergy Australia Submission: NSW Renewable Fuel Scheme: Rule 1 Consultation Paper

Bioenergy Australia (BA) is the national industry association committed to accelerating Australia's bio economy. Our mission is to foster the bioenergy sector to generate jobs, secure investment, maximise the value of local resources, minimise waste and environmental impact, and develop and promote national bioenergy expertise into international markets.

This submission from Bioenergy Australia is on behalf of the Renewable Gas Alliance (RGA), Sustainable Aviation Fuel Alliance of Australia and New Zealand (SAFAANZ) and the Cleaner Fuels Alliance (CFA). These alliances were founded to accelerate the development and deployment of Renewable Liquid Fuels and Biomethane for deployment in Australia. Individual members of the alliances will be providing more detailed submissions specific to their business and expertise.

Australia's Bioenergy Roadmap (ARENA, November 2021) outlines how, by the start of the next decade, Australia's bioenergy sector could contribute to around \$10 billion in extra GDP per annum and 26,200 new jobs (predominately regional), reduce emissions by about 9 per cent, divert an extra 6 per cent of waste from landfill, and enhance fuel security. Now is the time to capitalise on these opportunities and we support the expansion of the NSW Renewable Fuel Scheme (RFS) to include renewable liquid fuels and biomethane.

Bioenergy Australia provided a response to the 'NSW RFS: Discussion Paper on Scheme Expansion' on 4 December 2023, supporting the expansion of the scheme to include:

- Sustainable Aviation Fuel (SAF) (aviation)
- Renewable diesel (construction, mining, heavy haulage, rail, ag)
- Renewable VLSFO (Marine)
- Biomethane (ready-made natural gas substitute for domestic transition, industrial, manufacturing, food processing)
- Ethanol (Road and pathway for aviation)
- Biodiesel (Road, Marine, construction)
- Renewable Methanol (Marine, heavy transport, chemical manufacturing, hydrogen carrier)

We reiterate that the inclusion of these fuels within the scheme will not only support NSW decarbonisation goals but could also attract significant investment to the state, thereby supporting regional energy security and job growth.

We provide the following feedback to the consultation:

- The current proposed scheme has a fundamental limitation as it identifies only one pathway for renewable H₂, overlooking the potential of producing H₂ from a renewable gas (RNG) pathway. The exclusion of alternative production pathways may constrain access to emerging

markets, limiting growth opportunities crucial for supporting network transformation and the utilisation of renewable gas and fuels. An inclusive approach could enhance the scheme's effectiveness by integrating diverse, low-emission, and economically viable options that support the NSW RFS objectives of sustainability and environmental impact reduction.

- There is concern that the Proposal 2: Product GO certificates that are required to create renewable fuel certificates could inadvertently penalise network injection projects by limiting the amount of NSW RFS certificates that can be generated and sold to a large segment of network connected customers. We suggest that the rule allow project proponents to choose between the NSW GreenPower Renewable Gas Guarantee of Origin Scheme (RGGO) or the GO Scheme in sourcing the emissions input data for the NSW RFS certificate.

We submit that the inclusion of renewable liquid fuels and biomethane within the NSW RFS is essential to NSW meeting its decarbonisation targets and we look forward to the proposed future engagement on the scheme's expansion.

Thank you for taking the time to consider our submission. Any questions or request for further assistance are welcome and can be directed to shahana@bioenergyaustralia.org.au.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shahana McKenzie', with a stylized, cursive script.

Shahana McKenzie
CEO Bioenergy Australia