



**MANILDRA GROUP**  
**100% AUSTRALIAN OWNED**

18<sup>th</sup> January 2024

Office of Energy and Climate Change  
NSW Renewable Fuel Scheme  
Consultation Paper on Rule 1

Dear whom it may concern,

*RE: NSW Renewable Fuel Scheme – Rule 1 – Consultation Paper*

As a major regional employer and family-owned Australian business, Manildra Group (Manildra) appreciates the opportunity to make a submission to the consultation paper for the NSW Renewable Fuel Scheme (RFS) - Rule 1.

Manildra Group provided a submission to the New South Wales Office of Energy and Climate Change on the NSW RFS (Discussion Paper) on 8<sup>th</sup> December 2023. We have included this submission in our accompanying email. Our submission to the previous discussion paper provided a detailed overview of our operations, energy usage, and locally produced renewable energy including biofuels and biogas, and responses to the consultative questions. We would request that you refer to this submission in relation to our extensive feedback and comments on the RFS.

We understand this consultation paper discusses the detail for the first rule for the RFS. We also understand that the scheme expansion options will be subject to further publicly consultation in mid-2024, and therefore have not discussed scheme expansion options below.

Manildra Group submits we have few comments in relation to the draft RFS rule and the rationale. However, we have addressed the exemption framework considerations for the RFS below as we understand that this will inevitably impact liable parties.

In addition to this written submission, we would be more than happy to discuss this in further detail, either in writing or in person before the committee members.



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## **Exemptions Framework Considerations for the RFS**

As a leader in clean energy infrastructure, Manildra Group supports low-carbon fuels for our energy mix, including the potential for hydrogen in our cogeneration project, as outlined above. We support setting reasonable and achievable scales rates and targets, informed by industry insights, considering factors such as supply availability and infrastructure.

Manildra Group is supportive of a green hydrogen industry, and has been involved in the NSW Illawarra Decarbonisation Plan, NSW Office of Energy and Climate Change (OECC). We support the current exemption scheme design which outlines that the Minister can grant these exemptions if satisfied that the

- *Gas is used in connection with the industry or activity that is both emissions intensive and trade exposed (EITE); or*
- *The exemption meets criteria that are consistent with the objects of the scheme and Safeguard and specified by the Minister in a notice published in the NSW Gazette.*

We note that Manildra Groups' Shoalhaven Starches site is emissions intensive trade exposed, as we are unable to pass costs and impacts downstream due to international competition. If faced with sudden, substantial changes to our operations, it would limit our operations, close, or transfer manufacturing production elsewhere without achieving a reduction in worldwide emissions.

Furthermore, Manildra Group submits that the exemption scheme design should be expanded to include;

- *Gas is used in connection with the industry or activity, that is not connected to hydrogen infrastructure.*

The proposed decarbonisation projects, including the Illawarra Hydrogen Hub is in Port Kembla and Wollongong region, with the proposed pipeline infrastructure providing accessibility for hydrogen for industries, businesses and households located in that region. Shoalhaven Starches is located more than 50km from any proposed hydrogen electrolyzers. As a gas user, Manildra Group is unable to access hydrogen supply (at this stage or future proposals), without the required pipeline infrastructure to provide the energy. This exemption should remain in place, until which time that infrastructure becomes available.



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