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Ecotech Biodiesel: A Future Made in Australia: Unlocking Australia's Low Carbon Liquid Fuel Opportunity

As a key player in the low carbon liquid fuel initiative, Ecotech Biodiesel, founded in 2005, is Queensland's only biodiesel producer, with a production capacity of 30 million litres and one of Australia's three remaining biodiesel producers. Our commitment to reducing emissions and supporting the transition to renewable energy sources is unwavering. We believe that sustainable low-carbon liquid fuels, particularly biodiesel, are essential for achieving these objectives.

Ecotech Biodiesel, a prominent member of Bioenergy Australia (BA), proudly endorses its submission and wholeheartedly supports its efforts. We recognise the significant dedication and hard work that has gone into developing unbiased LCLF solutions. We urge the government to seriously consider Bioenergy Australia's submission and recognise its value and potential in driving Australia towards a cleaner and more sustainable energy future.

This Submission will focus on the department's erroneous decision not to include first-generation biofuels in the proposed LCLF initiative. We strongly advocate for their inclusion, as we believe it is a crucial and urgent step towards a more sustainable energy future.

The paper's focus on advanced biofuels and synthetic fuels, while acknowledging their debatable advantages, unfortunately, omits the significant contributions and undisputed benefits of first-generation biofuels. Biodiesel, like ethanol, has a proven track record of global production and use, instilling confidence in its reliability. This widespread use, coupled with well-established production technology and existing distribution and use infrastructure, makes it a reliable and ready locally produced biofuel prepared to make an immediate impact. Its maturity reduces the initial investment risk and sets the conditions for the eventual addition of advanced biofuels to the market.

I want to challenge the statement claiming biodiesel is not typically 100% compatible with existing fuel infrastructure or vehicles, ships, and planes by looking at real-world examples of 100% biodiesel being effectively integrated and utilised by industry leaders. This challenge should open up a new perspective and encourage reevaluating existing beliefs.

Global industry leaders like PepsiCo, Caterpillar Inc, Scania, Canadian shipping lines, Renault, Mercedes Benz-Daimler, Iveco, Volvo and the City of New York have effectively integrated and utilised or warranted 100% biodiesel. This real-world success challenges the misconception that biodiesel is not typically 100% compatible with existing fuel infrastructure and vehicles. By effectively utilising biodiesel, companies across various industries have demonstrated the feasibility and benefits of integrating it into their operations.

Biodiesel has brought significant economic benefits globally, especially in rural areas, by creating an additional market for agricultural products. Excluding it could undermine these financial advantages for Australian farmers. The urgency of including it in the policy is highlighted because, unlike advanced biofuels, which are still in developmental stages or require substantial infrastructure modifications, biodiesel can be immediately utilised to reduce greenhouse gas emissions and enhance energy security by reducing dependence on imported fossil fuels. It also strengthens national resilience against supply disruptions. Expanding the biofuels portfolio to include first-generation options increases the diversity of energy sources.

The approximate capital cost of biodiesel related to plant capacity is 35-40 cents per litre, compared to $1.20-$1.50 per litre for advanced biofuels with a similar volume. This significant cost difference makes biodiesel a more economically viable option, allowing for broader and quicker adoption, especially in the early stages of transitioning to low-carbon fuels. In addition, biodiesel represents the lowest-priced supply option compared to second-generation fuels, further enhancing its attractiveness and feasibility. With a projected completion time frame of 4 to 5 years for a second-generation project in Australia if starting today, the increasing challenges faced by numerous second-generation biofuel projects worldwide, leading to many being deferred or cancelled, and the incumbent participants now acquiring first-generation assets in favour of second-gen, biodiesel has become more crucial than ever, becoming a vital component in the immediate, continuous progress towards decarbonisation and avoiding disruptions in supply chains and industrial operations.

The new initiatives for Low-carbon liquid fuels should align with the current state policies and mandates supporting first-generation fuels. Taking an inclusive approach can help avoid conflicting policies and give clear signals to investors and industry stakeholders about the country's renewable energy strategy. It's important to note that many countries still use first-generation biofuels as a significant part of their renewable energy mix globally. Neglecting these fuels could lead to Australia being excluded from international biofuel markets and partnerships, limiting global collaboration and technology exchange opportunities.

In conclusion, while advanced biofuels and synthetic fuels undoubtedly will eventually play a critical role in Australia's path to net-zero emissions, whatever outcomes are decided in answer to the consultation paper, first-generation biofuels should be included in the strategy. Their proven benefits, immediate impact, economic support, lower capital costs, lowest-price supply option compared to second-generation fuels, and complementary capabilities make them valuable components of an effective low-carbon fuel policy. Excluding first-generation biofuels from the policy will deny consumers choice and restrict them from the lowest-cost option, ultimately hindering the transition to a more sustainable energy future.

Thank you for the opportunity to make this submission. I [redacted]

Sincerely,

Paul Hetherington