



Feedback Form

Development of a Paraffinic Diesel Standard Consultation October 2024

Four legislative instruments must be enacted or amended to establish the paraffinic diesel standard. These instruments are:

1. Fuel Quality Standards (Paraffinic Diesel) Determination (new)
2. Fuel Quality Standards (Paraffinic Diesel) Information Standard (new)
3. Fuel Quality Standards (Conventional Diesel) Determination (remade)
4. Fuel Quality Standards (Biodiesel) Determination (remade)

This feedback form seeks to elicit any issue or unintended consequence that could prevent the introduction of each of the above instruments, as well as any matters that should be considered in respect of the total package of legislative instruments.

Please provide your feedback in the form below or indicate a nil response where relevant. The inclusion of supporting material/evidence to substantiate your comments will support further consideration.

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Please provide feedback to fuel.policy@dcceew.gov.au, by no later than COB Friday 15 November 2024.

1. Fuel Quality Standards (Paraffinic Diesel) Determination

A new determination for the supply of neat paraffinic diesel in Australia will be introduced. The determination aligns with all parameters and specifications of the European paraffinic diesel standard EN 15940, aside from the following:

- **Total aromatics content (maximum of 1.7%):** There is a slight increase in the total aromatics limit to 1.7%, from the 1.1% limit set in EN 15940.
- **Sulfur content (maximum of 10 mg/kg):** The sulfur limit will be set at 10 mg/kg, higher than the 5 mg/kg limit set in EN 15940 to align with the sulfur limits of other Australian fuel quality standards.
- **Flash point (minimum of 61.5°C):** The minimum flash point will be set at 61.5°C, an increase from the 55°C minimum flash point specification in EN 15940 and the European diesel standard EN 590.
- **Conductivity (minimum 50 pS/m):** This aligns with the conductivity parameter in the Australian diesel standard.
- **Filter blocking tendency (maximum 2.0):** This aligns with the filter blocking tendency parameter in the Australian diesel standard.

Refer to section 1, page 6 of the consultation paper.

Comments

1.Total aromatics content (maximum of 1.7%): The ALC agrees with proposed content and limit.

2.Sulphur content (maximum of 10 mg/kg): The ALC does not support the proposed maximum sulphur content to be set higher than EN 15940 standards. Sulphur levels in diesel fuel are crucial for environmental protection, engine performance, and the efficiency of emissions control technologies. We therefore recommend aligning the local sulphur content specification with that in EN 15940 to enable modern diesel engines to meet strict emissions standards and reduce health and environmental impacts.

3.Flash point (minimum of 61.5°C): The ALC agrees with the proposed flash point requirement.

4.Conductivity (minimum 50 pS/m): The ALC agrees with the minimum conductivity specification. The ALC further suggests that for conductivity standards, a maximum limit should be specified alongside the minimum requirement.

5.Filter blocking tendency (maximum 2.0): The ALC agrees with the proposed limit.

2. Fuel Quality Standards (Paraffinic Diesel) Information Standard

A new information standard for paraffinic diesel and paraffinic diesel blends will be introduced. This will require labelling and the provision of documentation when supplying the fuel in Australia. This information standard aligns with the approach to labelling and documentation in the *Fuel Quality Standards (Ethanol) Information Standard 2019*.

Refer to section 2, page 9 of the consultation paper.

Comments

The ALC strongly supports the proposed Information Standard, which establishes labelling and documentation requirements for paraffinic diesel and conventional diesel/paraffinic diesel blends.

The ALC recommends that the Information Standard specifies that any paraffinic diesel blended with conventional diesel, be clearly identified on labelling.

3. Fuel Quality Standards (Conventional Diesel) Determination

Due to the new definitions of paraffinic diesel and conventional diesel which must be introduced to enable the implementation of a paraffinic diesel standard, the *Fuel Quality Standards (Automotive Diesel) Determination 2019* will be remade.

There will be **no change to the existing diesel parameters and specifications** in the *Fuel Quality Standards (Automotive Diesel) Determination 2019*. References to automotive diesel will be replaced with references to conventional diesel.

Summary of additions

A limited set of parameters (density, lubricity, and derived cetane number) will be added to the determination which will apply separately to conventional diesel/paraffinic diesel blends. These parameters must be met prior to supply of conventional diesel/paraffinic diesel blends in Australia. These parameters will have no impact on the quality and supply of 100% conventional diesel.

Refer to section 3, page 11 of the consultation paper.

*Comments***Cetane**

Alignment with Class B Fuel Standard: The ALC agrees that the proposed Cetane Number (CN) aligns with the Class B fuel standard.

Impact of Lower CN on Emissions: A lower CN can result in less efficient combustion, which may reduce some of the emission benefits of paraffinic diesel. Since a higher CN typically promotes cleaner combustion, the ALC is concerned that blending paraffinic diesel with lower CN fuels could diminish engine emissions performance. While most engines can handle lower CN fuels, this could negate some of the environmental advantages associated with paraffinic diesel.

The ALC therefore recommends that Australia implement a regulation similar to the European standard, which requires the CN to be measured before any cetane improvers or additives are added. Without this mandate, there is a risk of "cheating the test"—where cetane improvers or additives could artificially raise the CN number without genuinely improving the fuel's combustion properties. This could lead to misleading assessments of fuel quality and performance.

5. Fuel Quality Standards Paraffinic Diesel Package – General Comments

The above legislative instruments collectively give effect to the creation of a paraffinic diesel standard for Australia and must be introduced concurrently. Please provide any general commentary below.

Comments

The ALC proposes the following recommendations to ensure that the regulatory framework for paraffinic diesel effectively delivers on its environmental and performance objectives while maintaining fuel quality and market integrity.

Introduce Strict Minimum Quality Standards for All Blend Components- Establish clear and comprehensive quality standards for all components of the diesel blend, including mineral diesel, ensuring parameters such as sulphur content, cetane number, lubricity, and density are met. This will prevent the dilution of renewable diesel quality by substandard mineral diesel and uphold the performance and environmental benefits of the final blend.

***Align sulphur content with European Standards** by limiting its content from 10mg/kg to 5mg/kg to match EN 15940 standards

***Limit mineral diesel by capping the allowable percentage-** Set a maximum threshold for the proportion of mineral diesel in paraffinic diesel blends, ensuring that it does not exceed a level that would compromise the blend's environmental performance or fuel quality. By capping the mineral diesel fraction, the regulation will prevent suppliers from relying on low-quality fuels to meet regulatory density and cetane standards.

***Regulate Cetane Number Measurement Pre-Additives:** Require that the cetane number (CN) be measured before any additives are introduced. This will prevent artificial inflation of CN values and ensure the base quality of the fuel.

Mandatory Labelling for (Conventional) Diesel Blends Require clear labelling for paraffinic diesels blended with conventional diesel, to inform users of differing maintenance and service needs due to the corresponding unique properties.

Establish Rigorous Quality Control and Certification for Paraffinic Diesel- Introduce a robust certification process for paraffinic diesel blends, verifying that they meet all regulatory standards, including emissions reductions, engine performance, and fuel quality. This certification should be internationally aligned. The ALC has previously suggested the establishment of the Guarantee of Origin Scheme (GOScheme) that can include rigorous monitoring of the fuel composition, ensuring that fuel blends comply with established standards, and any deviations are promptly addressed.

Introduce Transparent Financial Incentives- Design targeted financial incentives to encourage suppliers to use higher-quality renewable fuels. This could include subsidies, tax incentives, or penalties for those blending lower-quality mineral diesel. Transparent incentives will align economic drivers with fuel quality and environmental sustainability, helping to shift the market towards cleaner, more sustainable fuel options.

Conduct a Comprehensive Review of Past Fuel Blending Mandates- Undertake a review of the lessons learned from previous fuel blending mandates (e.g., E10, B20) to inform the final regulatory design for paraffinic diesel. This review should address the challenges posed by blending lower-quality fuels, helping to ensure that the regulatory framework for paraffinic diesel avoids the mistakes of the past.

Encourage Transparent Reporting and Fuel Testing- Require regular testing and independent reporting of fuel quality to maintain transparency and ensure compliance with regulatory standards. Random checks and third-party audits will help ensure that fuel suppliers remain accountable, and that fuel quality remains consistent across the supply chain.