



Freight Decarbonisation

Workstream A: Phase One Project Inception – Concept Feasibility: Renewable Freight Certificates (RFCs)

Background

The concept of creating a Renewable Freight Certificate system has a wide number of factors and aspects which need to be confirmed as appropriate and achievable, with a comprehensive methodology formulated.

This document sets out in detail *Workstream A, Phase One Project Inception – Concept Feasibility*, which aims to better understand the tool or system which would need to be established, and how it would interconnect with the ability to offer 'low carbon freight' and report on 'low carbon freight'. Full project details of *Workstream A*, and how this Phase fits into the project, [are found here](#).

Deliverables

As part of Phase One, SBC, DETA and The Ministry of Transport (MoT) will facilitate a workshop with participating information partners.

The findings of the workshop and subsequent assessment of the discussion will be provided in a written report detailing:

- The viability of implementing an RFC system in New Zealand.
- The foreseeable challenges and opportunities for implementation.
- The next steps, including timeframes, required partners and costs.
- Who would oversee the certification system.
- Analysis on estimated freight emission reduction the implementation of RFC could have
- Examples of international case studies or global best practice.

Key expected outcomes of Phase One report



The primary outcome is confirmation of overall project feasibility and the methodology required to enable implementation. Specific items covered will include (but are not limited to):

- Review and assessment of:
 - Inclusion of 'low' or 'zero' emission options.
 - Origin and feedstocks of 'green' fuels.
 - Creation and allocation of RFCs under various scenarios.
 - Potential demand for RFC.
- Confirmation an organisation will be able to report RFC's in their corporate carbon emissions inventory and therefore have the ability to reduce their Scope 3 emissions.
- Outline how the RFC scheme changes and evolves over time – i.e., what will the landscape look like in 3-4 years' time & 5-10 years' time.
- Review reporting tools, frameworks and guidance documents to confirm RFC usability and applicability, i.e. [Voluntary Guidance Interim guidance for voluntary climate change mitigation](#)
- Details of RFC boundaries – for example, would it include first and last mile delivery?
- Understanding of demand – for example, are consumers and/or businesses prepared to 'pay a premium' for low carbon freight? (As part of this initial Phase, we will test options with the market to gain understanding of the drivers and sensitivities, such as changing economic conditions, for potential RFC demand.)
- Establishing a framework to support the rules for RFCs to ensure good transparency around the attributes associated to an RFC, how they're calculated, ensuring they're not double counted and establishing how the premium is used – the idea being the recipient will demonstrate how it will be reinvested to create more low freight capacity.

Delivery time	Estimated two months.
Cost	\$19,800 exc gst. (Given that this is largely a common good project, with the final output being shared beyond the SBC membership, funding for this first phase will come from MoT.)
Participating information partners	<ul style="list-style-type: none"> • Sustainable Business Council (SBC) – Project sponsor • DETA – Project Delivery Lead • Ministry of Transport (MoT) – Alignment with NZ Freight Strategy / Policy. technical/compliance support. • Toitū Envirocare – technical guidance for reporting & emissions inventory compliance, application of RFC's • MfE – Emission Factors, Corporate Guidance. • New Zealand Energy Certificate System (NZECS) – Understanding and establishment of certification system & establish potential use of existing system. • Waka Kotahi NZ Transport Agency • SBC members (i.e. Countdown, NZ Post and Z Energy) – freight movers' perspectives
Member time commitment	Estimated 1-2 hours (including phone interview and other potential information gathering opportunities)

Delivery of Phases two and three will require financial contributions, details of which will be fully determined following completion of this initial Phase.

