Caltex Talkingpoint

CALTEX FUELS WILL REDUCE GREENHOUSE GAS EMISSIONS

Deep cuts in greenhouse gas emissions will require vehicles that emit much less carbon dioxide for each kilometre travelled. How will fuels help achieve this?

- Diesel vehicles emit about 15% less carbon dioxide per kilometre than similar petrol vehicles but their pollution control equipment needs very low sulfur levels in diesel. Caltex has invested $250 million in its refineries to achieve the required diesel quality.
- Engines designed to use high octane petrol such as Caltex Vortex can reduce fuel consumption by 2–4% relative to the same engines designed for lower octane regular unleaded petrol. Less fuel consumption means less carbon dioxide emissions.
- LPG autogas can reduce greenhouse gas (GHG) emissions by 10–15% compared with petrol. Caltex is a major autogas producer and supplier.
- Ethanol is a renewable fuel and use of a 10% blend in petrol can reduce GHG emissions by 3% compared with petrol. Caltex sells E10 Unleaded at over 160 sites in Queensland, NSW and the ACT.
- Biodiesel is another renewable fuel. A 5% blend reduces GHG emissions up to 4% compared to diesel. Caltex New Generation Diesel containing 2% biodiesel is supplied to over 160 service stations from the Newcastle terminal. Higher percentage blends are sold to commercial customers.
- Long term, electric vehicles powered by fuel cells may use hydrogen as a fuel, supplied from service stations or made from other fuels on board the vehicle. Whatever the future of fuels, Caltex plans to be there, helping to reduce greenhouse gas emissions.

Do you have any comments on this Talkingpoint? Please email feedback@caltex.com.au. (For more information on this subject see www.caltex.com.au. Click on Community & Environment then Climate Change).

Caltex Talkingpoint

CALTEX AND CLIMATE CHANGE

Caltex accepts global warming is occurring, very likely as a result of human activity[1]. This includes combustion of petrol and diesel, which produces carbon dioxide, the main greenhouse gas.

- Global temperature is projected to increase 1.8 to 4.0 °C by 2100 and sea level by 18 to 59 centimetres, depending on future reductions in greenhouse gas (GHG) emissions.
- Caltex supports setting a goal for Australia to reduce its GHG emissions by 2050, based on the best available science. The necessary cuts will require massive changes to the supply and use of energy, including petroleum.
- To cut emissions, Caltex advocates use of markets rather than regulation. We support "carbon pricing", which means putting a price on greenhouse gas emissions.
- For industrial plants such as oil refineries, "emissions trading" would cap GHG emissions and require companies to buy permits for any emissions above the cap. The market for carbon permits would determine their price.
- GHG emissions produced by customers using Caltex's petroleum products are 20 times greater than those produced when the products are made in Caltex's refineries.
- For motor vehicles, Caltex would prefer a carbon tax (similar to excise) to emission trading as it is not practical for motorists to buy carbon permits. A carbon tax of $10 per tonne of carbon dioxide would equate to 2.4 cents per litre of petrol or 2.7 cents per litre of diesel.
- Over a quarter of Australia's petroleum products is imported but Asian refineries will not face carbon pricing until after Australia. As a result, any Australian carbon pricing scheme should offset the competitive disadvantage of Australian refiners, for example by a free allocation of permits.
- Caltex is taking action to combat climate change. Our $250 million refinery investment in extra low sulfur diesel will help improve the fuel efficiency of vehicles, we are committed to increased supply of ethanol and biodiesel blends, we are a major supplier of LPG autogas, and we will cost-effectively reduce emissions from our operations.

1. As concluded by the United Nations Intergovernmental Panel on Climate Change

CALTEX'S CARBON FOOTPRINT

	ANNUAL GREENHOUSE GAS EMISSIONS (MILLION TONNES OF CARBON DIOXIDE EQUIVALENT)
Caltex emissions (mainly refineries)	1.8
Emissions from purchased electricity	0.4
Emissions by customers	
Petrol	17
Diesel	12
Other fuels (including jet fuel)	6
Total	35
Australian emissions from petroleum products	114
Total Australian emissions	559

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