



## Industrial Allocation Update



### Issue 2, 19 March 2010

Welcome to the second issue of Industrial Allocation Update, an e-newsletter from the Ministry for the Environment to keep you up-to-date with the progress in the regulations-making process for allocating emissions unit credits to businesses under the Emissions Trading Scheme (NZ ETS).

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#### Submissions: update

Some submissions on the December [consultation document](#) raised issues relating to the overarching rules and framework for industrial allocation. The Minister for Climate Change Issues, Hon Dr Nick Smith, is currently considering these submissions. Further information, including a detailed summary of submissions, will be published at [www.climatechange.govt.nz](http://www.climatechange.govt.nz) shortly.

#### First call for data

A number of activities listed in Annex 1 of the consultation document have been identified as being carried out in New Zealand. A notice to be published in the *New Zealand Gazette* shortly will call for firms carrying out these activities to submit data on emissions and revenue to the Ministry for the Environment.

This data is necessary to determine whether these activities will qualify for the allocation of emission unit credits. Firms who do not supply data will not be able to receive units. Any firm carrying out the following activities should

now be gathering financial and emissions data:

- aluminium smelting
- production of carbamide (urea)
- manufacturing of carbon steel from cold ferrous feed
- cartonboard manufacturing
- production of chlorine gas and sodium hydroxide (caustic soda) solution
- production of clinker
- production of high purity ethanol
- production of glass containers
- production of hydrogen peroxide
- production of lime
- production of market pulp
- production of methanol
- manufacture of newsprint
- packaging and industrial paper manufacturing
- tissue paper manufacturing.

The Ministry will be contacting firms from these industries directly to provide further information on the data collection requirements and the assistance available to help firms comply with these requirements.

### **Consultation on draft activity definitions for new activities**

A number of new activities were proposed by submitters as potentially eligible for the allocation of emission units. Following consideration of submissions, draft definitions have been developed for the following activities:

- iron and steel manufacturing from iron sand
- production of gelatine
- production of lactose
- production of whey cheese product
- production of milk minerals
- production of lactalbumin powder
- production of whey powder
- production of whey protein concentrate
- production of whey protein isolate
- production of raw reconstituted wood panels
- production of clay bricks
- production of protein meal
- production of fresh tomatoes
- production of fresh capsicums
- production of cucumbers

- production of roses.

Consultation on these draft definitions is currently underway. This consultation, which will close on 29 March 2010, is targeted at businesses involved in these activities.

Following consideration of submissions on these activity definitions, a call for data for these activities is likely to be notified in the *New Zealand Gazette* at the end of April.

### **Activities awaiting further information**

Draft definitions have not yet been developed for all activities proposed by submitters. In some cases, further information is being gathered about the process, inputs and outputs and the likely emissions-intensity of the proposed activity. More detail about these activities will be included in the next issue of this newsletter.

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