

New Zealand ETS review 2015/16 consultation



Copy of your submission

1. Do you agree with the drivers for the review?

Answer 1: No

2. What other factors should the Government be considering in this NZ ETS review?

Answer 2: Agricultural emissions should be included in the ETS as soon as practicable

3. Should the NZ ETS move to a full surrender obligation for the liquid fossil fuels, industrial processes, stationary energy and waste sectors?

Answer 3: Yes

3A. Please explain your answer:

4. What impact will moving to full surrender obligations have on you or your business?

Answer 4:

Potentially a higher price for carbon, which will hopefully have a greater reduction of greenhouse gas emissions- better for everyone in the long term

5. If full surrender obligations are applied, when should this be implemented?

Answer 5: d) other - please specify

Outline the reasons for your answer, and include any comments on the pros and cons of applying an increased surrender obligation to a partial or a full NZ ETS reporting a year. Unsure

6. If the NZ ETS moves to full surrender obligations, should potential price shocks be managed?

Answer 6: Yes

6A. Please explain your answer:

7. If potential price shocks associated with moving to full surrender obligations should be managed, how should this be done?

Answer 7:

7A. Please explain your answer: Businesses prefer price stability (even if slightly higher) to a floating price

8. If the \$25 fixed price surrender option value should change, what should it change to and why?

Answer 8: Should stay the same

9. Do you consider the future cost of emissions in your business planning?

Answer 9: Yes

9A. How do you do this?

I am an environmental consultant- although I am not required to purchase credits for my business, I consider the future cost of emissions for potential future customers.

page 2

10. What would improve your ability to take into account the future cost of emissions in your business planning?

Answer 10:

11. Under what conditions should free allocation rates start to be reduced after 2020?

Answer 11:

12. What impact would it have on your investment decisions over the next few years if there was a clear pathway or criteria for phasing out of free allocation after 2020?

Answer 12:

13. How does the carbon price impact your forestry investment decision-making?

Answer 13:

14. Are there opportunities for the NZ ETS to increase incentives for forestry investments, outside of NZU price?

Answer 14: Unsure

15. What are your reasons for the above answer?

Answer 15:

16. If international units are eligible for NZ ETS compliance in the 2020s, should any of the following restrictions be placed on their use?

Answer 16:

16A. Please explain your answer:

17. Should auctioning be introduced in the NZ ETS?

Answer 17: Unsure

17A. Please explain your answer:

18. What should be the role or purpose of an auctioning function in the NZ ETS, if one were introduced?

Answer 18:

18A. Please explain your answer:

page 3

19. How should auctioned NZUs relate to other sources of unit supply in the NZ ETS, especially NZUs generated

New Zealand ETS review 2015/16 consultation

Copy of your submission



Ministry for the
Environment
Manatū Mo Te Taiao

through forestry removals and / or international units?

Answer 19:

20. What impact has carbon price volatility in the NZ ETS had on your business?

Answer 20:

20A. Please explain your answer:

21. Do you think measures should be in place to manage price stability?

Answer 21:

21A. Please explain your answer:

22. What do you consider are important factors for managing price stability?

Answer 22:

22A. Please explain your answer:

23. What should the Government consider when managing price stability?

Answer 23:

24. Are you aware of ways the administrative efficiency of the NZ ETS could be improved?

Answer 24:

25. Can you provide further information to support your answer?

Answer 25:

26. Are there any barriers or market failures that will prevent the efficient uptake of opportunities and technologies for reducing emissions?

Answer 26:

27. If so, is there a role for the Government in addressing these barriers or market failures and how should it do this?

Answer 27:

28. Please comment here

Answer 28:

Name [REDACTED]

Organisation (if applicable) Earthwater Environmental Consulting

Address [REDACTED]

