

esr zero carbon submission 180717

To: Ministry for the Environment
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Submissions form

We seek your feedback on the specific proposals in the Zero Carbon Bill.

2050 target

1. What process should the Government use to set a new emissions reduction target in legislation?

Pick one:

- **YES** the Government sets a 2050 target in legislation now
- the Government sets a goal to reach net zero emissions by the second half of the century, and the Climate Change Commission advises on the specific target for the Government to set later.

Optional comment

There is an extremely urgent need for action. Reaching net zero emissions after 2050 may well be too late to maintain a liveable planet such as we had in the past.

2. If the Government sets a 2050 target now, which is the best target for New Zealand?

Pick one:

- **net zero carbon dioxide:** Reducing net carbon dioxide emissions to zero by 2050
- **net zero long-lived gases and stabilised short-lived gases:** Long-lived gases to net zero by 2050, while also stabilising short-lived gases
- **YES net zero emissions:** Net zero emissions across all greenhouse gases by 2050.

Optional comment

While the combustion of fossil fuels is the main cause of our problem, there are also well understood ways for reducing agricultural emissions. Hence, as a starting point, and as an example to other nations, the goal of net zero emissions across all greenhouse gases makes very good sense.

3. How should New Zealand meet its targets?

Pick one:

- **YES** domestic emissions reductions only (including from new forest planting)
- domestic emissions reductions (including from new forest planting) and using some emissions reductions from overseas (international carbon units) that have strong environmental safeguards.

Optional comment

We have been down the overseas units route before, and it was a disaster, with units sometimes selling for as little as 15 cents a tonne of CO₂. Our primary responsibility is to reduce our own emissions. Accepting international units stops us from achieving this effectively. Also, as in the past, there may well be questions about the degree of validity of overseas units.

None of this means that we cannot help other countries. This can be done in useful ways by sharing our expertise and by providing funding in specific cases, e.g. for some of our Pacific neighbours.

4. Should the Zero Carbon Bill allow the 2050 target to be revised if circumstances change?

Pick one:

- **YES** yes
- no.

Optional comment

This is not so that future governments can weaken our target for short term reasons, but rather because the target may need to be strengthened, depending on how climate change develops, what happens to global emissions and meeting future possible international agreements.

Emissions budgets

5. The Government proposes that three emissions budgets of five years each (ie, covering the next 15 years) be in place at any given time. Do you agree with this proposal?

Pick one:

- **YES** yes
- no.

Optional comment

1. This is probably a reasonable starting strategy and having budget lengths that do not correspond with electoral cycles probably makes some sense. However, rather than is shown in Figure 2 (page 37) where the budget is flat across each 5 year period, it would give stronger and clearer information on the rate of reduction in emissions needed if annual emissions figures were given for each year within the 5 year budget.

2. The reduction in emissions during early years should be far greater than Figure 2 suggests. This will reduce overall costs and also put us in a much stronger position if tighter targets later need to be introduced, e.g. carbon neutral by 2040.

6. Should the Government be able to alter the last emissions budget (ie, furthest into the future)?

Pick one:

- yes, each incoming Government should have the option to review the third budget in the sequence
- yes, the third emissions budget should be able to be changed, but only when the subsequent budget is set
- no, emissions budgets should not be able to be changed.

Optional comment

NONE OF THE ABOVE. The Climate Change Commission should have the ability to review budgets based on new information and to recommend changes to the government, which the government can then implement. The government should not have the right to alter budgets in other cases, except in exceptional circumstances.

7. Should the Government have the ability to review and adjust the second emissions budget within a specific range under [exceptional circumstances](#)?

Pick one:

- **YES** yes
- no.

Optional comment

YES, but only as outlined in the comments re Item 6 above.

8. Do you agree with the [considerations](#) we propose that the Government and the Climate Change Commission take into account when advising on and setting budgets?

Pick one:

- yes
- **NO** no.

Optional comment

The considerations listed on P 44 of the Discussion Document make sense. But there are also other very important considerations, for example an understanding of the carbon price required to drive change at sufficient rate; and an understanding of the cost of the damage climate change is causing per unit of CO₂-e emitted.

Government response

9. Should the Zero Carbon Bill require Governments to set out plans within a certain timeframe to achieve the emissions budgets?

Pick one:

- **YES** yes
- no.

Optional comment

10. What are the most important issues for the Government to consider in setting plans to meet budgets? For example, who do we need to work with, what else needs to be considered?

Comment

The government needs to:

- Work from targets based on net emissions in target years versus net emissions in base years, not confusing and misleading targets based on net emissions in target years versus gross emissions in base years.
- Review how charges for emissions are going to be made. For example: (i) applying a basic carbon charge would be a lot simpler and less expensive than running the NZ ETS; (ii) if the NZ ETS is retained then there would be advantages to working on a price per unit during a specific time period rather than on the number of units available during a specific time period.
- Decide on what other steps should be taken to reduce emissions besides just setting emissions charges.
- Decide how the cost of damage caused by emissions, the so-called social cost of carbon, should affect emissions pricing.
- Decide how revenue from emissions charges can be returned to the general population so as to offset increases in the costs of goods and services these charges will cause.

Climate Change Commission

11. The Government has proposed that the Climate Change Commission [advises on and monitors](#) New Zealand's progress towards its goals. Do you agree with these functions?

Pick one:

- **YES** yes
- no.

Optional comment

12. What role do you think the Climate Change Commission should have in relation to the New Zealand Emissions Trading Scheme (NZ ETS)?

Pick one:

- advising the Government on policy settings in the NZ ETS
- makes decisions itself, in respect of the number of units available in the NZ ETS.

Optional comment

NONE OF THE ABOVE.

First, the Climate Change Commission might advise the government to move to a simple carbon tax rather than the NZ ETS.

Second, if the NZ ETS is retained, the Commission should certainly have a role in deciding how it is structured and operates. For example, there are strong arguments that the NZ ETS should be driving change by setting the cost per tonne of CO₂-e, rather than by just setting the number of units available

Third, the Commission should also be advising the government on what other steps need to be taken to achieve climate goals.

13. The Government has proposed that Climate Change Commissioners need to have a range of [essential and desirable expertise](#). Do you agree with the proposed expertise?

Pick one:

- **YES** yes
- no.

Optional comment

They also need to:

- Be open to new opportunities that will arise and to understand and accept fairly radical changes may well be needed.
- Understand the various approaches that can be used to allow targets to be met.
- Be able to deal with the question of how revenue from emissions charges will be returned to the general population.

Adapting to the impacts of climate change

14. Do you think the Zero Carbon Bill should cover adapting to climate change?

Pick one:

- **YES** yes
- no

Optional comment

15. The Government has proposed a number of new [functions](#) to help us adapt to climate change. Do you agree with the proposed functions?

Pick one:

- **YES** yes
- no.

Optional comment

16. Should we explore setting up a targeted adaptation reporting power that could see some organisations share information on their exposure to climate change risks?

Pick one:

- **YES** yes
- no.

Optional comment