

New Zealand Emissions Trading Scheme Review 2015/16
Submission – Operational Matters
Engineers for Social Responsibility

Contact information

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Engineers for Social Responsibility Inc. (ESR) is an independent group of engineers who consider that being knowledgeable in the field of technology means that they also have a special obligation to the public at large. This includes raising the awareness of the engineering profession to the consequences of its activities and explaining to and discussing with the public the ramifications of developments in engineering and engineering works.

Our organisation has already made a submission related to the Emissions Trading Scheme Review 2015/16.

The current submission relates to further material raised in the Operational Matters Technical Note published by the Ministry for the Environment in March 2016, and specifically to Section 2.2 Disclosure of NZ ETS Information.

Disclosure of NZ ETS information

OM4. Does the current level of information available allow you to make informed decisions about your participation in the NZ ETS?

No

For businesses that come under the scheme to be able to make appropriate decisions and to function efficiently, the way the ETS operates needs to be fully transparent. This is also necessary so that anyone interested can see and understand what steps New Zealand is taking to address climate change, how effective these steps are, and how they could be affecting prices for goods and services.

OM5. Are there any additional forms of information that would assist with your understanding of, or participation in, the market?

Yes

At present the ETS operates in a very opaque manner with a lot of the related information difficult or impossible to access. If we are to continue with it then it needs to be operated in a totally transparent way so that all businesses, and also others, can understand and assess exactly what is happening.

Achieving the above requires that the following information be made publicly available. Information on the number and price of units received/ submitted/ etc, as outlined below, should ideally be provided on a monthly basis and also on a cumulative year-to-date basis, including showing recent trends.

- **Current market price and recent price history for NZ units and for any other units being accepted at the time.**
- **Total number of NZ units issued on a paid basis and their expiry date.***
- **Total number of NZ units issued on a free or subsidised basis and their expiry date.***
- **Breakdown of number of units issued free or on a subsidised basis in relation to reason/ justification for their issue.**
- **Total number of units submitted.**
- **Breakdown for the above units by type including NZ units charged for, NZ units issued free or on a subsidised basis, and every individual type of offshore unit being accepted at the time.**
- **The identity of entities receiving units on a free or subsidised basis, the number of units they receive, and the reason/ justification for their issue. (These free or subsidised units are not being issued to individuals, but to businesses and other entities whose activities are effectively being subsidised by the government and hence by the New Zealand population as a whole. It is therefore fully appropriate that the identities of the recipients and the size and reason(s) for the subsidies they receive be made public.)**

*** Since unit prices are expected to keep increasing over the coming period we recommend that units have an expiry date, after which any unused units can be returned for a refund of the original price paid. This will reduce the ability of entities to “bank” lower cost units in order to meet future commitments.**
