

# New Zealand ETS review 2015/16 consultation



Copy of your submission

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

Answer 1: Yes

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

Answer 2:

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:

We need to fulfil our international climate change obligations. Business has had a long lead in to full surrender obligation and should be expecting it.

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

Answer 4: N/A

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

Answer 5: a) 2016

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.

There has been a long lead in time and 2016 has been the date that has been given for moving to full surrender.

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

Answer 6: No

6A. Please explain your answer:

There has been plenty of lead in to this. Consumers and producers need to start factoring in the full surrender cost so they avoid an even greyer price shock i the future.

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

Answer 7: a) maintain the fixed price option at \$25

7A. Please explain your answer: Do not manage price shocks. See 6

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

Answer 8:

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

Answer 9:

---

**page 2**

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

Answer 10: True price of emission costs in products we purchase.

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:

A strong carbon price would encourage permanent forested area which would provide enormous ecological and community services - flooding prevention, reducing sedimentation to harbours etc

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

Answer 14: Yes

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:

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 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 Kate Graeme

# New Zealand ETS review 2015/16 consultation



Copy of your submission

---

Organisation (if applicable)

Address [REDACTED]

[REDACTED]

[REDACTED]

Telephone [REDACTED]

Please enter your email address to receive a copy of your submission [REDACTED]