

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:

We need to develop a comprehensive plan to decarbonise our economy, including how we will meet our 2030 target

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:

The transition period seems to have dragged on for too long. The time for action is now as we are behind a number of other countries and should be seen as leaders.

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

Answer 4:

It will add costs and could significantly change the types of work available but this is not a reason to not proceed now.

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.

We have been stalling on this for too long. Action now will make it easier in the future.

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

Answer 6: Unsure

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: d) other methods - please specify

7A. Please explain your answer:

The price could remain capped while full surrender obligations are established and then it could be gradually raised to a more meaningful value.

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

Answer 8:

It should be raised to make the value more meaningful and encourage emission reduction.

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

Answer 9: No

9A. Please explain your answer:

It is too uncertain at this point in time. The sooner it is established the sooner we can plan.

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

Answer 10: Developing an appropriate and meaningful plan in the near future.

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

Answer 11: Not sure.

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: Not sure.

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:

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:

- a) restrictions on where units can be sourced from (location of and/or types of projects)
- b) restrictions on how many units can be surrendered

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16A. Please explain your answer:

17. Should auctioning be introduced in the NZ ETS?

Answer 17: No

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: a) to align supply in the NZ ETS more closely with our international target

18A. Please explain your answer:

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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: a) minor

20A. Please explain your answer:

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

Answer 21: Yes

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: Unsure

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

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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 Nick Moleta

Organisation (if applicable)

Address [REDACTED]

[REDACTED]

Telephone [REDACTED]

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