

From: [The Morgan Foundation](#)
To: NZETSReview@mfe.govt.nz
Subject: 00055 New submission from ETS Submissions
Date: Thursday, 18 February 2016 3:57:21 p.m.

Do you agree with the drivers for the review?

Yes, but some drivers are missing

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

What is the ETS trying to achieve in terms of domestic emissions reductions? Given we have no confirmed international trading, the starting point should be planning to meet our 2030 target with domestic emissions reductions. What carbon price would it take to achieve that goal? That information is central to this consultation.

Regardless of international trading, our economy needs to transition to net zero carbon this century. Where is the Government's plan for this transition?

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

Yes

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

2016

Outline your reasons for the above selection

The Government kept the two for one offer far longer than recommended by the last panel. So there is no rationale for keeping it any longer now. All sectors, including agriculture should meet the costs of their emissions to ensure changes in behaviour, i.e. GHG reductions.

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

No

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

Other

Please explain

Prices should be pushed upwards as quickly as possible. In the first instance we recommend a one year moratorium on free allocation to clear the bank of unused free units from the last three years.

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

An immediate rise in carbon prices will help us kickstart the transition of our economy off fossil fuels. It may cause a short term cost, but will result in long term savings as we have to reach net zero emissions between 2050 and 2100.

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