

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:

The increasing urgency of the need to make significant reductions to anthropogenic carbon emissions in order to keep global warming to no more than 2 degrees Celsius and ideally no more than 1.5 degrees Celsius.

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:

Polluter pays principal. Full surrender makes the response to climate change fair and equitable.

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

Answer 4:

None whatsoever. Full surrender is a closer representation of the true cost of business when environmental and social factors are also considered, instead of the traditional view of economic factors only. I welcome full surrender obligations.

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 year.

The sooner full surrender is implemented the sooner incentive is applied to businesses and the greater the probability of keeping global warming below 2 degrees Celsius and no more than 1.5 degrees Celsius.

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

Answer 6: No

6A. Please explain your answer:

Just get on and do it. The time for "softly softly" approaches has past. We need to act now and act decisively.

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: I don't believe potential price shocks should be managed.

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

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Answer 8: See previous answer.

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

Answer 9: Yes

9A. How do you do this?

In appraising now projects the life cycle fossil fuel component of the options are considered.

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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: Greater vision and direction from central government.

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

Answer 11: Just reduce them asap!

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: Reduced risk / increased confidence

13. How does the carbon price impact your forestry investment decision-making?

Answer 13: I don't make forestry investments.

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

Answer 14: Unsure

15. What are your reasons for the above answer?

Answer 15: I don't make forestry investments.

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)

16A. Please explain your answer: Need to ensure the that sources are legitimate and meet specific criteria.

17. Should auctioning be introduced in the NZ ETS?

Answer 17: Yes

when a) in the next two to three years

17A. Please explain your answer: Increased competition for units

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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: Unsure

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: No

21A. Please explain your answer:

22. What do you consider are important factors for managing price stability?

Answer 22: b) lower price limits (eg, price floor)

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: No

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:

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28. Please comment here

Answer 28:

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