

New Zealand ETS review 2015/16 consultation

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

Answer 1: No

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

Answer 2:

The current ETS is clearly failing to facilitate the reduction of emissions in NZ. We need to make significant changes to the ETS - i.e. effectively start again and introduce a carbon charge for all use of fossil fuels.

We need a new mechanism that is simple, straight forward and transparent.

We need a mechanism that will significantly reduce emissions.

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 take full responsibility for our emissions.

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

Answer 4:

It will make it more likely that we are able to live sustainably in a climate stable world.

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 need to move now. CoP21 tells us that we have avoided action for too long.

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

Answer 6: Yes

6A. Please explain your answer:

With full revenue flow back to Government the ability for Government to provide short term relief is available - but it should not be via a subsidy to use fossil fuels.

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:

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

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Answer 8:

It will have to increase if this does not have the desired effect of reducing emissions.

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

Answer 9: Yes

9A. How do you do this?

Use electric public and private transport systems

Purchase renewable electricity.

Consider other lifestyle choices - particularly reduction of number of flights.

page 2

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

Answer 10: Certainty on the price of carbon.

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

Answer 11: There should be no free allocations.

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: It would strengthen our desire to act sustainably.

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

Answer 13:

I would invest in further trees and forests. Current investments in renewable energy would be extended.

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: Just make a fixed minimum price. The rest is obvious.

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:

17. Should auctioning be introduced in the NZ ETS?

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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:

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:

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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: Increase urgency in our changes to the ETS, or replace it with a carbon charge.

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