

16 July 2019

Climate Change Response (Zero Carbon) Amendment Bill
Committee Secretariat
Environment Committee
Parliament Buildings
Wellington
zerocarbon@parliament.govt.nz

Dear Committee members,

Re: Orion submission on Climate Change Response (Zero Carbon) Amendment Bill

1. Thank you for the opportunity to comment on the Climate Change Response (Zero Carbon) Amendment Bill (**Bill**).
2. Orion is the electricity distribution business (**EDB**) serving Christchurch and central Canterbury.
3. We are a member of the Climate Leaders Coalition and we support its submission.
4. Our additional comments on the Bill are confined to its effect on our operations as an EDB.

A coordinated and coherent approach from Government is vital

5. The electricity sector will be a key part of NZ's initiatives to convert fossil fuel energy systems to NZ's highly renewable and low carbon electricity supply.
6. A previous discussion document on the earlier iteration of the Bill has noted:

'At the moment, the way we respond and adapt to climate change impacts is not well coordinated. Many of the risks, impacts and actions to adapt are dealt with across a number of different legislative and regulatory regimes'.¹

We agree with this assessment.

7. EDBs are affected by decisions made by a number of Government agencies, including (but not limited to):
 - a. Commerce Commission
 - b. Electricity Authority
 - c. Infrastructure Commission/National Infrastructure Unit
 - d. Ministry of Business, Innovation and Employment
8. Climate change considerations are often not dealt with or considered by many of the agencies that affect EDBs. This is understandable, given that climate change may not be specified in their statutory or regulatory objectives. However, this can produce unintended consequences that may cut across the intent of the Bill.²
9. Current regulatory settings do not cope well with incremental cost increases that flow from actions to address sustainability and climate change needs. EDBs play an important role in the prosperity of our local communities and in NZ's zero carbon goals, but to enable this, we need appropriate opex and capex allowances that reflect the costs associated with this contribution.
10. Consideration of what regulatory changes are appropriate for the greater good of NZ may be necessary. We support a coordinated, coherent policy and government agency response to this challenge.
11. We believe the Climate Commission should play a key role in leading this coordinated approach between Government agencies.
12. We support the Commission leading collaborative discussions with agencies across sectors in the preparation of emissions budgets, reduction plans and adaptation plans. This would facilitate coherent and optimal policy settings for climate change action.

Yours sincerely



David Freeman-Greene
General Manager Commercial

² For example, EVs offer a significant opportunity to reduce the nation's carbon footprint. Rolling out a small number of EV charging stations to "seed" the market was one way we could stimulate interest in EV uptake. In May 2018, the Commerce Commission advised that public electric vehicle chargers should not be included within the regulated assets of EDBs, unless under very restricted circumstances. As a result of this advice Orion paused its EV charging infrastructure rollout.