



Submissions form

We seek your feedback on the specific proposals in the Zero Carbon Bill.

Either email this submission to ZCB.Submissions@mfe.govt.nz (Microsoft Word document (2003 or later) or PDF) or post to Ministry for the Environment, PO Box 10362, Wellington, 6143.

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Personal / organisation details

You must provide either a company name or given name(s)

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Submitter type, pick one:

- Individual
- NGO
- Business / Industry
- Local Government
- Central Government
- Iwi / Māori
- University
- Research Institute
- School
- Community Group
- Unspecified / Other

2050 target

1. What process should the Government use to set a new emissions reduction target in legislation?

Pick one:

- the Government sets a 2050 target in legislation now
- The Government sets a goal to reach net zero emissions by the second half of the century, and the Climate Change Commission advises on the specific target for the Government to set later.

Optional comment

We support a target being set by Government – following independent advice from the Climate Change Commission, subject to the following comments:

1. The target will have far-reaching effects on the NZ economy and society. It should therefore be set after an independent commission's comprehensive investigation, analysis and consultation of the key options and the trade-offs of the impacts.
2. The investigation, analysis, consultation and ultimate recommendation should be undertaken by an apolitical independent body, specifically created to consider and such important and long-term issue.
3. A robust apolitical and independent process will increase the engagement and buy-in from key stakeholders on the recommended target.
4. A robust apolitical and independent process is likely to produce an appropriate and achievable target.
5. The investigative process should also consider whether a net zero emissions target is the best option for NZ. This will help make the target achievable, accepted and enduring – at an acceptable/efficient level of financial and non-financial cost to the nation.

2. If the Government sets a 2050 target now, which is the best target for New Zealand?

Pick one:

- net zero carbon dioxide:** Reducing net carbon dioxide emissions to zero by 2050
- net zero long-lived gases and stabilised short-lived gases:** Long-lived gases to net zero by 2050, while also stabilising short-lived gases
- net zero emissions:** Net zero emissions across all greenhouse gases by 2050.

Optional comment

N/a – see above

3. How should New Zealand meet its targets?

Pick one:

- domestic emissions reductions only (including from new forest planting)
- domestic emissions reductions (including from new forest planting) and using some emissions reductions from overseas (international carbon units) that have strong environmental safeguards.

Optional comment

We support a focus on domestic emission reductions in the first instance:

1. The 2050 target and related budgets will determine what reductions can be achieved 'in house' and/or through reliance on international units.
2. Additional work is still required to ensure any international ETS is robust.
3. A reduction of domestic emissions will have downstream benefits to housing, health and water. It makes sense to focus on areas that have tangible benefits to NZ Inc in the first instance. This dual purpose can show quite tangible social benefits, resulting in more overall buy in – versus a trading scheme involving international units that seems somewhat removed.
4. We recognise prior advice <http://www.mfe.govt.nz/more/cabinet-papers-and-related-material-search/cabinet-papers/cabinet-paper-paris-climate-change> that international units will be required to meet even the interim NZ Nationally Determined Contribution for 2030 under the Paris Agreement. However, some effort should be made to ensure that a reduction in domestic emissions is prioritised over purchasing international units.

4. Should the Zero Carbon Bill allow the 2050 target to be revised if circumstances change?

Pick one:

- Yes
- No

Optional comment

Yes, given the inevitable uncertainties of climate change and impacts, all we can do is create forecasts, models or scenarios – not ‘facts’ about the future. Flexibility is needed to ensure that circumstances are considered as they evolve.

The UK Climate Change Act 2008 allows the UK Government to change the target in certain specified circumstances, provided the Climate Change Committee is consulted. We support a similar approach in NZ.

Emissions budgets

5. The Government proposes that three emissions budgets of five years each (ie, covering the next 15 years) be in place at any given time. Do you agree with this proposal?

Pick one:

yes

no.

Optional comment

We support the use of budgets. It is important that overall targets are broken down into realistic plans with a set of shorter term initiatives. This also provides clarity and predictability – both important factors for business.

We note that while the budgets could contain firm commitments, it may be appropriate for the implementation plan and reporting that sits alongside to be designed on a rolling basis, similar to LTP’s under the Local Government Act. This would support a long term approach to reducing emissions, but enable necessary changes to be made to the implementation plan in the short term to achieve the budgets, as circumstances alter over time.

6. Should the Government be able to alter the last emissions budget (ie, furthest into the future)?

Pick one:

yes, each incoming Government should have the option to review the third budget in the sequence

yes, the third emissions budget should be able to be changed, but only when the subsequent budget is set

no, emissions budgets should not be able to be changed.

Optional comment – We say yes for same reasons as we outline in our response to question 4. If a rolling implementation and reporting approach was adopted, it would be clear at an early stage whether changes to the final budget were appropriate.

7. Should the Government have the ability to review and adjust the second emissions budget within a specific range under [exceptional circumstances](#)?

Pick one:

yes

no.

Optional comment

We say for the same reasons we outline in our response to question 4. Please also refer to our comments on question 5.

The ‘exceptional circumstances’ and proposed range should be specified in the Bill. It may also be appropriate to direct the Minister to take advice from the Climate Commission into account before making any changes.

8. Do you agree with the [considerations](#) we propose that the Government and the Climate Change Commission take into account when advising on and setting budgets?

Pick one:

yes

no. It could go further.

Optional comment

It is not clear how the Commission’s considerations and function will interrelate with the government’s responsibility for a climate change risk assessment and a national adaptation plan in the face of climate change. It appears sensible that the Commission has a role to play in risk assessment. The report contemplates this.

The report notes that the Commission will publish reports on progress towards delivering the national adaptation plan to climate control – and also notes the government holds responsibility for the national adaptation plan. We suggest the government and Commission roles could be more clearly defined.

We support the Treaty of Waitangi also forming part of the Commission’s considerations.

Government response

9. Should the Zero Carbon Bill require Governments to set out plans within a certain timeframe to achieve the emissions budgets?

Pick one:

- yes
 no.

Optional comment

10. What are the most important issues for the Government to consider in setting plans to meet budgets? For example, who do we need to work with, what else needs to be considered?

Comment

We draw your attention to our submission to the Productivity Commission's draft report on transitioning to a low-emissions economy.

Our view is from an electricity industry perspective. We think the electricity sector is key to engage with, not only for the emissions we can reduce ourselves, but more importantly for how we enable even more connection with and conversion to NZ's highly renewable electricity generation.

There are real and large emission reductions to be captured in converting transport and industrial heat processes to from fossil fuels (for example: petrol and coal respectively) to electricity.

As noted in the discussion document: *'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'*. We commented on this in our submission to the Productivity Commission.

We would add that at times, climate change considerations are not dealt with or considered by various regulatory agencies. This is understandable, given that climate change may not be specified in their statutory or regulatory objectives.

A coordinated policy and government agency response to reduce emissions and achieve the target is therefore required. Unfortunately, this is not the case at present for the electricity sector.

For example, EVs offer a significant opportunity to do reduce the nation's carbon footprint - but recent Commerce Commission proposals for the regulatory treatment of EV charging stations have caused us to pause our roll out of those stations in our supply region of Christchurch and central Canterbury. In contrast, other international regulatory regimes for our sector have innovation incentives to encourage exactly this sort of thing. The Commission's outlined approach is an

example of isolated approaches between regulatory agencies – where broader climate issues are not considered (or allowed to be within their objectives).

Industry is looking to convert heat processes. This is a significant undertaking for them. Incentives should be considered.

Data needs to be shared. Collaboration across relevant government departments, including the Privacy Commission is important so we can understand uptake of EVs.

We also support an overarching duty on the Minister:

- to *have regard to* the need for NZ domestic action on Climate Change; and
- to produce plans that must contribute to *sustainable management*, or the three objectives of climate change policy specified in the report, namely:
 - a sustainable economy,
 - global and local leadership,
 - a just and inclusive society.

This approach would echo similar duties imposed in the UK Climate Change Act 2008.

Climate Change Commission

11. The Government has proposed that the Climate Change Commission **advises on and monitors** New Zealand's progress towards its goals. Do you agree with these functions?

Pick one:

yes

no.

Optional comment

We believe the role of the Commission could be extended from what appears to be advisory role only to one which is advisory, with mechanisms built in to hold Govt to account. As the paper notes this is similar to the UK and requires the govt to publicly respond to why it isn't following the Commission's advice. Lack of some accountability risks establishing an ineffectual regime.

12. What role do you think the Climate Change Commission should have in relation to the New Zealand Emissions Trading Scheme (NZ ETS)?

Pick one:

advising the Government on policy settings in the NZ ETS

makes decisions itself, in respect of the number of units available in the NZ ETS.

Optional comment

There is a broader consideration here. Is the ETS the most appropriate scheme to control emissions vs say, a Carbon tax on NZ entities. It may be, but we have the opportunity for the Climate Change Commission to consider this and make a recommendation.

13. The Government has proposed that Climate Change Commissioners need to have a range of **essential and desirable expertise**. Do you agree with the proposed expertise?

Pick one:

- yes
 no.

Optional comment

Please see response to question 8. Expertise appears appropriate provided there is sufficient expertise to identify necessary elements of an adaptation plan and review it from time to time.

Adapting to the impacts of climate change

14. Do you think the Zero Carbon Bill should cover adapting to climate change?

Pick one:

- yes
 no

Optional comment

Tangible initiatives will assist giving the regime credibility. Risk assessment, a plan setting out initiatives to respond to climate change, reviews of that plan are all important to help deliver broader Act objectives.

15. The Government has proposed a number of new **functions** to help us adapt to climate change. Do you agree with the proposed functions?

Pick one:

- yes
 no.

Optional comment

Subject to comments to previous questions

16. Should we explore setting up a targeted adaptation reporting power that could see some organisations share information on their exposure to climate change risks?

Pick one:

yes

no.

Optional comment

The benefit of additional information is clear. However, further consultation is required around processes that may be followed, public nature of the information (and it could be commercial sensitive), and importantly, as the report notes what is the quid pro quo from government and policy makers in response to information being shared that shows problems to be addressed.