



MAJOR ELECTRICITY  
USERS' GROUP



28 February 2011

2050 Emissions Reduction Target Consultation  
Ministry for the Environment  
PO Box 10362  
Wellington 6143

By email to [2050target@mfe.govt.nz](mailto:2050target@mfe.govt.nz)

Dear Madam or Sir

### **New Zealand's 2050 emissions reduction target**

This is a submission by the Major Electricity Users' Group and the New Zealand Business Roundtable on the paper "Gazetting New Zealand's 2050 Emissions Target - Minister's Position Paper" released 29<sup>th</sup> January 2011 by the Minister for Climate Change Issues along with a media release<sup>1</sup> "50 by 50 emissions reduction target proposed". The Position Paper<sup>2</sup> summarises the proposed gazette notice as

*"Our proposed target is a 50 per cent reduction in New Zealand's greenhouse gas emissions from 1990 levels by 2050, or in short, -50 by 50."*

Section 224 of the Climate Change Response Act 2002 requires the Minister to set and gazette a target. While this isn't a regulated target; it is important it be both credible and robust. Any 2050 target will not be credible if it is not conditional on like progress by key emitters. We find the proposal lacks sufficient evidence to support the target and therefore is unlikely to be able to stand the test of time. It looks like the target was chosen more for its sound bite appeal and symmetry rather than hard evidence. Gazetting the proposed "50 by 50" target will further undermine business confidence in how overall climate change policy settings evolve. We recommend a more rigorous consideration of the target is needed including:

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<sup>1</sup> Refer <http://www.beehive.govt.nz/release/50-50-emissions-reduction-target-proposed>

<sup>2</sup> Refer <http://www.mfe.govt.nz/publications/climate/nz-2050-emissions-target/index.html>

- Giving clarity on the text of caveats to be gazetted alongside a target. Those caveats would include, updated as appropriate, the conditions attached to the responsibility target set for the 2020 target range<sup>3</sup>. Other caveats that need to be mentioned in the gazette notice include dependence of a 2050 target on technology changes<sup>4</sup> and improvements in the scientific understanding of the drivers of climate change.

Details matter. The gazette notice will not be treated lightly by the business community and accordingly consultation on the proposed text and appropriate caveats needs to be comprehensive.

- A discussion on whether the 2050 target should be a single point or a range? For 2020 New Zealand has a target range. Beyond that date we expect the target range would get wider not narrower.
- A discussion on the optimal timing of setting a target. Why set a target in 2011 when in future years more information will be available to allow a better target to be set? The Minister's Position Paper is silent on the optimal timing for setting a target.

There will be more quality information and analysis on the likely path and extent of international efforts emerging from the work of the ETS Review Panel in June, the Australian Productivity Commission's present inquiry and the 17<sup>th</sup> COP to the UNFCCC and 7<sup>th</sup> MOP to the Kyoto Protocol to be held in Durban in November. What is the downside in waiting until that information is available?

A target and caveats set ahead of those events will inevitably need revising. This would not inspire confidence by business.

- Providing all detailed analysis by officials of the table comparing targets set by other countries. Inevitably there will be a degree of subjectivity to account for country specific factors and the relative status of the targets, ie are targets proposals with or without an equivalent legislative framework as in New Zealand's case? The table is also misleading as it fails to take into account the expected cost to each country of achieving their target. Have officials estimated the relative benefits and costs of each country achieving its target, including the proposed target for New Zealand? That information should have been published alongside the proposal to allow submitters to better gauge the evidence for the proposal. The 2050 target is not credible unless the benefits of pursuing it plainly exceed the likely costs.

Interested parties should be allowed the opportunity to validate and challenge the conclusions from the summary table taking into account all of the analysis by officials.

- A cross-submission stage. Setting this target is too important to allow rhetoric or unsubstantiated claims by other parties to go unchallenged.

We look forward to your consideration of this submission.

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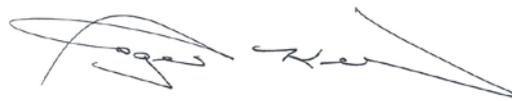
<sup>3</sup> Refer <http://www.mfe.govt.nz/issues/climate/emissions-target-2020/index.html>

<sup>4</sup> The media release by the Minister states "*It (the target) will only be achievable with major technological innovations in areas like agriculture and transport, which are quite possible over this timeframe.*"

Yours sincerely



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