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Secretary: David Inch, david@nzenergy.co.nz

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Ministry for Foreign Affairs and Trade
Private Bag 18901
Wellington 6160

By email: feedback@mfat.govt.nz

Dear Sir / Madam

RE: New Zealand's priorities in the international climate change negotiations

The Independent Electricity Generators Association (IEGA) welcomes the opportunity to make submissions on the government's priorities for international climate change negotiations later in 2018. These negotiations are expected to agree on guidance for countries as they go about implementing their national contributions to reducing greenhouse gases.

The IEGA comprises approximately 40 members who are either directly or indirectly associated with predominately small scale power schemes throughout New Zealand for the purpose of commercial electricity production.¹ IEGA members are small, entrepreneurial businesses, essentially the SME's of the electricity generation sector. Some members are dealing with multiple territorial authorities as they have generating plant, with essentially the same characteristics, located in different regions of New Zealand.

New Zealand has a distinct advantage with its relatively high proportion of electricity generated using renewable fuel. The IEGA suggests the government should publicly commit to an ambitious target for the proportion of renewable energy used in the economy. This target is equally appropriate for other countries.

There are aspects of government policy that recognise the benefits of reducing the reliance on fossil fuels in the transport and industrial process sectors. However, an international commitment to a long term ambitious target will provide unambiguous direction to private investors. These emission reductions would clearly have high integrity and be easy to measure.

Achieving this target would rely on policy work by numerous government agencies. We suggest a cross agency team and the Climate Commission be accountable for clear policies and actions that contribute to this ambitious renewable energy target. In our view, this requires a change to the statutory objective of the Electricity Authority. Alternatively, there must be a change that means the Authority can not, as a tertiary regulator, apply its narrow economic efficiency focus to electricity

¹ The Committee has signed off this submission on behalf of members

sector arrangements which result in changes that are inconsistent with, or do not contribute to, 'big P' government policy.

Use of a higher proportion of renewable energy in the economy is achievable while further work is undertaken to address fugitive emissions in our agricultural sector.

We also support further work on New Zealand's Emissions Trading Scheme to ensure it signals the international cost of emitting greenhouse gases.

The IEGA would welcome the opportunity to discuss this submission with you in more detail. We would appreciate being added to your stakeholder list to ensure we remain fully informed about your work in this area.

Yours sincerely

Warren McNabb
Chair