20 May 2021

Ministry for the Environment,
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mitigation@mfe.govt.nz

Attention: Cassidy McLean-House

Subject: Phasing out fossil fuels in process heat

1. The Bioenergy Association welcomes the opportunity to respond to the consultation document *Phasing out fossil fuels in process heat - National direction on industrial greenhouse gas emissions*.

2. The Association agrees that process heat is an area where transition from use of fossil fuels can provide significant reduction in greenhouse gas emissions reduction by 2050 but is concerned that the proposals do not take enough account of the transition requirements to achieve that objective. However the transition can be achieved if adequate support is provided by Government to those wanting to make the transition and those assisting.

3. The Bioenergy Association represents a significant portion of owners of heat plant, biomass fuel producers and suppliers, waste-to-energy consultants, researchers and equipment/appliance suppliers across New Zealand. It has members who have an interest in policies relating to the utilisation of biomass and waste for the production of energy; reduction of emissions to air in communities from both residential and commercial/industrial scale heating applications, and from decomposition of waste; and wise use of our renewable natural biomass resources for the betterment of communities. Residual organic waste is considered to be a renewable biomass resource suitable as a source of fuel for process heat.

4. The Association has Interest Groups whose members manage the Association's specific technical matters relating to the wood energy via combustion, waste-to-energy via anaerobic digestion, and liquid biofuel sectors, specifically with regard to standards and best practice. The Interest Groups host workshops and dissemination of information to those interested in the respective sectors, or considering investment. This submission is provided on behalf of members and sits alongside individual submissions made by members directly.

5. The Association supports the policy objectives of the proposal which are to:
   i. achieve national consistency and certainty in the management of industrial greenhouse gas emissions under the RMA
   ii. reduce industrial GHG emissions to mitigate the adverse effects of climate change and support New Zealand's transition to a low emissions economy.

6. The Association also supports in principle the following policy options outlined in the consultation document:
   i. voiding/prohibiting new fossil fuel-fired discharges in process heat and a more rigorous approach for new coal-fired assets compared to other fossil fuels (for new industrial assets)

ii. accelerating the phase out of fossil fuels in process heat and support the transition to lower emission fuels (for existing industrial assets)
iii. greenhouse gas management plans that support best practice to reduce emissions and transition to low emissions.

7. Answers to questions are set out below:

Problem definition, objectives and scope

1. Do you agree with this characterisation of the status quo? If not, please provide evidence to support your views.

Yes. However there is a lack of definition of process heat. 52% of heat plant are in government owned facilities but are not "process heat" as they are related to schools, municipal swimming pools, education services. The focus of a national guidance should be on all heat plant from solid, gaseous and liquid fuels.

The scope should include central and local government heating plant, as well as all private facilities. There is no difference of the GHG emissions from a boiler supplying hot water to an industrial application than from a school. The policies in this proposal should cover 100% of boiler plant and not just 48% when the consenting requirements are the same.

The scope should include for GHG and other emissions to air as the inconsistencies of Air Plan Rules across regions are creating perverse incentives for plant design which have an effect on GHG emissions. Some of the current Regional Rules encourage oversizing of equipment etc which can increase emissions. The Regional Rules generally focus on inputs rather than the resulting emissions to air. While for some fuels such as wood pellets which is a controlled heating system where the relationship between the consistent homogenous fuel and the emissions is known for heaters which meet the relevant design standard this can be appropriate, all decisions should relate to emissions either directly or indirectly.

Backup heat plant and low use plant should also be included so that there is consistency of application.

Criteria for permitted use plant should be related to GHG and other emissions and linked to emissions to air. This can be done most efficiently in a national environmental standard rather then leaving it to each council to do in their own way. They do not have the technical skills and the same standards should apply in all regions..

2. How would you describe the status quo? What other factors should be considered?

The foundations for supplying biomass fuel for process heating is well established and there are a number of Accredited Solid Biofuel Suppliers throughout New Zealand. Solid biofuel is available at every part of New Zealand. The price of fuel depends on the number of suppliers in an area, their sources of biomass and the distance required for delivery from their fuel manufacturing site.

The availability of biomass from which to produce solid biofuels can be managed so that supply should always be able to meet demand. However if left unmanaged and to the market to grow to meet demand then it is likely that the supply and demand balance will be less stable and the uncertainty of biofuel supply will be a major barrier to replacing fossil fuels with solid biofuels. If there is good market information and assistance is provided to landowners to grow more biomass then any shortage of solid biofuel will have been because of policy failure.

It is estimated that around 60% of biomass needed to fossil fuels can be sourced from plantation forestry and that the other 40% could come from agriculture.

It is estimated that 6-9% of a farm is less productively used and could be where additional biomass is grown. This would be in managed 3 row shelterbelts, erosion control plantings, woodlots and the unused corners of a farm. If assistance is given to help farmers move from being food + fibre producers to food + fibre + fuel producers with the benefit of improved soil management and improved farm business resilience.

The liquid and gaseous biofuels supply market is not as well developed and some fuels such as renewable diesel and renewable LPG are still in early developmental stages. These markets may not be fully established until 2030. Many horticultural and small food processors use diesel and LPG for their heating. If they are to transition to low emission fuels then assistance with the development of renewable diesel and renewable LPG needs to occur. For many of these small energy users the transition to electricity would be too expensive and if biofuels are not available they are most likely to close down if they can no longer use fossil fuels.

Sourcing biofuels from waste resources (municipal wastes, industrial wastes, municipal biosolids, wood residues from a range of sources etc) will also be a source of biofuels with the potential to meet various energy needs (heat, power and transport fuels) from energy forests and other crops.

There needs to be a steady and sustained transition from fossil fuels as biomass takes time to create and the market infrastructure needs to develop in an orderly path so that there is not boom bust and no supply to meet demand. The amount of biomass that will be required for all its uses (energy, engineered wood products, biobased materials etc) over the next 30 years and beyond is very large. There needs to be a government led programme for this supply side similar to the demand side programme that EECA has managed for the last 20 years. We have to plan now to establish and maintain the biomass resource NZ will need in future.

Renewable fuels for process heat can be liquid, solid and gaseous and may be derived from biomass and waste, including plastic waste. The NPS and NES should allow all renewable fuels so that achievement of wider government policies are supported. For example residual waste plastics which are difficult to reuse in any other way, and would otherwise go to landfill, can be used to make a renewable crude oil in the first instance and the same equipment used to produce biocrude when using biomass becomes economic.

A number of new renewable fuels such as biomethane, renewable diesel and renewable LPG are drop-in fuels and are expected to be available by the end of 2030 so an orderly transition for some applications will assist some industrial process heat move to these products once they come on the market. The big advantage of these fuels is that they can be used in existing equipment thus avoiding significant capital expenditure by facility owners.

3. **Do you agree with the characterisation of the problem regarding the regulatory gap in the RMA? If not, why not?**

Yes

4. **Do you agree with the characterisation of the problem regarding the regulatory backstops to support the NZ ETS? If not, why not?**

Yes

5. **In your view, what is an effective and efficient threshold for low-GHG emitting process heat sites that would be out of scope of the requirements? Options and combinations of options include: below 100 tonne CO2-e/year, 50kW, 2 MW, assets operating fewer than400 hours per year. Please explain why.**

No.

There is no need to have any threshold as the policies can apply to all heat plant using solid, gaseous and liquid fuels. Limit should be on GHG emissions not size of the boiler. The value of national policies and standards is significant and needed for all sized plant. In the national policies the use of permitted use criteria can address much of what the proposal for thresholds is seeking. There should also be a consideration of the total boiler fleet on an industrial site, not just the individual boilers. Some sites have multiple small boilers, some of which only run for part of the year. Having a threshold would incentivize investors to install a number of small boilers just to gain the exemption.

Consistent consenting rules for all heat plant using liquid, solid and gaseous fuels will make consenting cheaper and assist achieve good outcomes.

The nature of the goal of reducing GHG emissions is such that all opportunities should be followed and good national policies and standards will actually reduce costs overall.

6. **Do you agree with the scope of industrial emissions proposed to be subject to national direction instruments? If not, why not?**

No

Having the scope limited to process heat will lead to extensive confusion as to whether the application is process heat or heat for other purposes. A blanket coverage of all heat plant using gaseous, solid and liquid fuels, including that of local and central government will provide consistency of application and maximise GHG emission reductions.

Most heat plant are in the small /medium size range so this group should not be excluded. Having more consistent national policies and standards backed up by training and guidance would improve the consenting process, and ongoing monitoring, for all applications.

Care needs to be taken with prohibited activities as there will be many applications where existing operations can make significant changes and achieve desired outcomes but still be prohibited. A discretionary approach with good guidance to consenting authorities as to how to use that discretion will ensure best outcomes of both economic and environmental outcomes.

Cofiring of renewable and fossil fuels will be an important transition approach so is highly supported. Similarly reuse of fossil fuelled equipment to use a renewable fuel is highly supported but the achievement of specified emission standards is critical as some conversions can result in worse outcomes if not done properly. Again the requirement to meet national emission to air standards is more important than how the nature of the fuel and the process of conversion into energy.

An immediate focus on non-statutory guidance should occur as in some areas there is a lack of knowledge and experience amongst advisers. Bioenergy Association endeavours to upskill professionals and to develop best practice technical guides and receives some support from EECA to do that. However the need is far greater than is currently being done because of a lack of funding. To achieve the desired outcomes of these reforms will require a significant step up in support from central government.

7. **Should commercial sector water and space heating (above an appropriate size threshold) be included in the scope of national direction? If not, why not?**

Yes, but with no size threshold. The national directive should cover all sizes and all applications. Some applications which meet specified criteria may be able to be treated as permitted uses but everything should be included. A size threshold will add to confusion and increase costs.

The mix of applications on a site being in or out of scope will be administratively difficult for consenting authorities and applicants/consent and not lead to desired outcomes. All the emissions from heating applications on a site should be considered collectively. This is best achieved if there are site based consents where on-site tradeoffs can be more easily accommodated. It would improve emissions monitoring and consents management.

8. **What is your view on the proposal to exclude emissions from other sectors in the current scope (note: intention is for a more fulsome package of national direction on climate change to be developed through the new resource management system).**

There should be no exclusions but some applications may be able to be treated as permitted uses and if discretionary consented specific on-site matters can be incorporated into a site emissions plan. Establishing national policies and standards can be done now ahead of the wider development which may take some years. Guidance also needs to be done now and it can be.

The National Policy Statement for Renewable Electricity Generation 2011 should be widened to cover all energy and not just electricity. It is an anomaly that electricity is treated in isolation from other energy forms. The move to having energy policies that are wider than just electricity are a recommendation of the draft Climate Change Commission recommendations.

Bioenergy Association agrees that emissions from waste are better covered by revision of the Waste Strategy. However where heat plant uses a waste material to produce process heat this should be covered by the proposed national emissions policies and standards as organic waste can be processed by densification to be a solid biofuel.

Similarly in order to have adequate volumes of solid biofuels it is expected that large amounts of agricultural residues (currently wasted) will be densified to be a solid biofuel.

Preferred RMA national direction instrument

9. **Do you agree that the preferred option (a NES supported by a targeted NPS) will be the most effective way to achieve the policy objectives and to reduce implementation costs and uncertainty for local authorities, applicants and consent holders? If not, why not?**

Yes

A targeted NES and NPS will provide consistency of rules across all regions and reduce consenting and consent administration costs. However the NES and NPS should cover GHG and non-GHG emissions from any heating facilities using solid, liquid and gaseous fuels so that linkage of consent application information for emissions (outputs) is related to equipment design.

10. **Do you agree with the impact analysis of this option?**

Yes, subject to the points already raised in this submission.

11. In your view, what is a fair and reasonable duration for consents that would be balance the need for investment certainty with the need to improve energy efficiency and reduce emissions over time?

35 years for new plant as currently set out in the RMA. Investors in renewable fuelled heating plant, whether big of small require as much certainty as possible when evaluating the risk of the investment. The heating plant covered by these policies all have an economic life of around 30 years. However with a long consent such as this there needs to be review provisions such as in Section 25 of the RMA. The trigger for a review should however only be if there is evidence that information or data provided at the consent hearing is significantly different from that considered when decisions on the consent were made.

Consents for renewals of existing plant which continues to use fossil fuels in some way should be limited to 10 years.

12. Should the ban on new coal-fired assets for low and medium temperature requirements be implemented through a prohibited activity rule in national direction? Should there be any exemptions for small-scale coal-fired assets (for example, below 50kw, 2 MW or 100 tonne/year) or flexibility to consider site specific constraints through consenting processes?

Yes. The ban can be implemented through a prohibited activity rule but should cover all heat plant using liquid, gaseous or liquid fuels and not just coal.

There should not be an exemption for small scale assets. There are many small boilers, and these can add up. Based on the EECA heat plant database (CRL Energy, 2011) there is likely at least 130,000 tonnes per annum of coal being used in boilers less than 1MW (equivalent to around 275,000t of CO2-e). Many of these are however government owned (schools etc.) which is why it is important that the scope should be wider than just for process heat.

The rules should apply to all heat plant, otherwise there will be the possibility of some gaining an unfair advantage over competitors because they use exempt smaller boilers. Further, there should be consideration of the total amount of plant on a site collectively. There are many sites with multiple boilers. Some of these are small and used intermittently or seasonally, but collectively they make a large contribution to GHG emissions.

13. Do you agree with the approach to avoid new fossil fuel assets (excluding coal) unless it can be demonstrated there are no feasible alternatives, and where the applicant prepares a GHG emission plan, and complies with relevant best practices? Are there more effective and efficient ways to achieve this outcome?

Yes. Such consents should be discretionary.

However, it raises questions about who determines that there is no feasible alternative and how. Implementation of an NPS and NES will require that good guidance is provided to consent authorities and applicants. This could be supported by an appeals provision such as to the Environment Court as is already available.

14. How can national direction and guidance best assist applicants and consent authorities to assess economically and technically feasible alternative fuel options?

By providing good technical and financial assistance and case study examples the national direction can be achieved. Bioenergy Association has developed a number of tools for providing this support but they are underfunded and so not as effective as if a proper funded support package was developed and executed.

Bioenergy Association has also established a register of advisers which is under used because it is underfunded.

Bioenergy Association also hosts a Bioenergy Knowledge Centre where information is cataloged and held, and is available for use by anyone. This is also under funded so it is not promoted as widely as it should be if information is to be feely available.

15. Should the policy approach for new process heat assets target specific fossil-fuel sources or should it take a fuel neutral approach? In your view, what is the best approach to define thresholds and requirements?

It should be fuel neutral as the relationship between the type of fuel and the combustion technology produces the emissions. As a consequence the focus should be on controlling outputs from a heating facility rather than controlling only fuel which could be used in poor performing equipment that produced excessive emissions. There should be the same rules applied across the board regardless of the size of the operation.

While coal must be the priority an emissions control approach will naturally bias against use of coal.

16. Referring to each option, what are the likely compliance costs and impacts on your firm? Who are the small to medium size industry users that could struggle to meet the requirements?

The Bioenergy Association is not a heat user but has experience of many applications and feasibility studies. Our observation is that if the establishment of a new consenting regime is implemented with good external technical and financial support from Government that on-going compliance costs will not be high. The high costs are in the replacement of existing equipment but if done strategically could be part funded by the affected business. Some financial support such as in the form of suspensory loans, accelerated depreciation, or grants will be necessary but our observation is that the contribution from Government is not a high proportion of the total cost.

17. What supporting initiatives are needed to transition away from fossil fuels in new industrial sites?

In addition to the financial support from government as mentioned above there is a need to ensure that potential investors are receiving appropriate and well informed advice. As also mentioned above there is a shortage of experience and knowledge amongst professional advisers which needs to be addressed.

Information on the long term availability of renewable fuels is poor and some renewable fuels such as biomethane, renewable diesel and renewable LPG require significant research and market development. Without this assistance from Government the reforms proposed will fail.

The information on the availability of biomass and residual organic waste is also poor and does not provide confidence to investors that transitioning from fossil fuels is viable. There is no doubt that adequate amounts of biomass and residual organic waste can be available long term but no effort is being made by Government agencies to ensure that the right amount of biomass and organic waste will be in the right place and the right time.

Transpower has done the only published analysis on the amount of electricity and biomass that will be required to meet the transition from fossil fuels for process heat but no attempt has been made to identify how those quantities can be sourced. It is important that an independent agency such as MBIE undertake such analysis and publish scenario information.

Te Uru Rakau has analysed the long term availability of biomass from plantation forestry and Scion has used a previous version of that data to identify how much biomass fuel may be available but

there needs to be more extensive research undertaken and published so that potential investors are well informed.

MBIE researches and publishes the long term availability of coal, oil and gas but no similar effort is going into biomass fuel supply.

Similarly with organic waste. MfE has researched the sources of organic waste suitable for minimization programmes but no effort has been done to identify how the different waste streams could be used to produce an energy fuel.

It is estimated that 60% of fossil fuel used in process heat could come from the residues of plantation forestry and wood processing. The other 40% could come from agriculture but no effort is being done to encourage farmers to use the 6-9% of their land which is not highly productive to plant trees which can be available for processing into solid biofuel. Farmers can modify their shelterbelts to provide both shelter and biomass for other uses including energy but there is no research into such applications. The research needs to be into the both suitable species and include short rotation plants.

Many process heat users in the South Island in particular use LPG which will be an expensive fuel to replace by electricity. This is probably the area where process heat users are most at risk of these proposals as unlike many other applications where there is a number of renewable energy solutions, replacing LPG is more difficult. Renewable LPG research is in its infancy but should be high on the Government priorities for research funding.

The Bioenergy Association is concerned that if the supply side is left to market forces alone that the policies proposed will fail. On the other hand if a managed renewable energy supply market is established then the objectives can be achieved.

18. Is 2037 an appropriate 'phase-out' date for low and medium temperature coal process heat requirements? Is it necessary to include a review date within the national direction instrument (potentially around 2025) to assess the development of alternative fuel markets closer to the phase out date?

2037 is achievable if Government provides adequate support to each of the renewable fuel markets, and to potential investors. This will require a significant step up from current levels of Government support but the foundations are already established on which to build.

Work on securing alternative fuel supply which is reliable and consistent needs to start now. The analysis of future need for biomass for fuels as this policy starts to impact is required today. Actions to ensure this supply is in place will be required in the next year or two. The supply of wastes and residues is finite and dependent on the presence and health of other industries. Whilst these materials are a good place to start in terms of bioenergy for heat there also needs to be consideration of where biomass supply for other uses (alternative to natural gas and liquid fossil fuels) is going to come from. These policies cannot be viewed in isolation. If liquid biofuels are to be mandated, then detailed consideration of what this is to be made from, and where this is to come from is essential.

Further, we know some regions have a probable deficit of biomass suitable for meeting coal fuelled heat demand whilst other have an excess. Growing biomass to meet future demand is possible, as is upgrading, densification and inter-regional transport of biomass fuels.

19. **Should there be a longer lead-in time for existing coal-fired assets that are currently permitted before these are subject to the NES consent requirements?**

No. However discretionary consenting must be available for those applications where transition is difficult or very expensive.

Some of the low emission fuel solutions are still in development and may not come available until the end of this decade. Government needs to engage with industry on the research and energy necessary to have the biomass energy solutions available as soon as possible so that transitions could meet the 2037 target.

20. **Is it appropriate to phase out other (non-coal) fossil fuels in existing industrial assets through consenting processes and best practice requirements?**

Yes, only if Government assistance is provided so that the appropriate solutions are available..

21. **Is a more flexible approach for the re-consenting of other (non-coal) fossil fuel-fired assets warranted/needed?**

No. The appropriate solutions could be available if the process is fully managed.

22. **Should there be a set phase-out date for other (non-coal) fossil fuels, including natural gas? What are the potential benefits and risks?**

Yes. For small applications such as residential the phase out approach that has been taken for removing open fires has been appropriate and has worked well. The focus must be on new installations rather than existing ones.

23. **Should the NES require regional councils to review consent conditions of significant GHG emitters with long-term permits to help reduce emissions? What are the benefits and risks?**

All consents should be reviewable but care needs to be taken with regard to existing long term consents where the business will have been established with consent certainty. Being too draconian will be counter productive as it is better to work with business to review and possibly change their consent as they will do more if feel that things are fair.

Monitoring and reporting on emissions is likely to put more pressure to change than a mandated approach.

24. **What are the appropriate size (operating capacity and/or volume of emissions) and/or consent duration thresholds to trigger a review of existing discharge permits? What is a realistic and achievable timeframe for regional councils to undertake a review of the discharge permits for large emitters in their region?**

Greater than 0.5MW.

2 years maximum to review permits.

25. **Is there anything that has been overlooked in this section with regards to the reality of business practices? For local government: is there anything that you feel has been overlooked in this section with regards to the reality of consenting practices?**

Biomass fuel supply can be grown - by anyone, and needs to be encouraged now, so that we can phase out coal by 2037 and other fossil fuels shortly after

Preparation for future supply needs can start today - you just need a plan and incentive to do so.

"It's not there" is not a good excuse for not moving to bioenergy from a sustainable biomass supply. Businesses need to have / take some responsibility and foresight around energy supply. There is no obligation for anyone to provide the biomass, but the user has an imperative to make sure it is there.

They could forward contract supply (i.e.; go to a grower and contract them to supply X tonnes of biomass per year for X years starting in 10-years-time. The growers would provide the material (if price agreement is reached). Currently, both sides may do nothing and claim no supply / no demand if there is not some onus put on someone (I suggest the fuel user) to make sure there is some supply.

Just as we build power stations (dams, geothermal wind) and drill wells for oil and gas and develop coal mines we can and should be planning on how we can develop a large-scale bioenergy supply from wastes, crops and forests. Preliminary studies on this have been done on the past (Hall and Jack et al, 2009, Hall et al, 2009). These can provide a guide on how this topic might be addressed and updated given the changing priorities and greater urgency around climate change.

26. Do you agree with the proposed thresholds for small sites being between 100 and 2,000 tonne CO2-e/year and large sites, being over 2,000 tonne CO2-e/year, in the preparation of a GHG emissions plan?

The threshold should be lower, 1,000 tonnes of CO2-e /year.

27. Do you agree with the proposed requirement that GHG emissions plans for large sites be reviewed/certified by a 'suitably qualified expert'? Should this be limited to larger sites?

Yes

However the use of GHG emission plans should be to assist transition and not be a consent condition as they will always be unenforceable because the day after they are produced business may change and so the emission plan may now no longer be achievable by the business. Emission plans should be provided as part of a consent application so as to guide the consent authority consider whether the applicant is following best practice to reduce emissions.

28. What guidance and templates would be useful to help industry and councils prepare and review GHG management plans?

There is a danger in having council staff review GHG management Plans for which they will have had little training. This can result in council officers dictating what business must do which is an unsafe intervention into business affairs. GHG Management Plans can be a good management tool but most important is the requirement to report what GHG emissions have actually occurred. The information from reports can provide useful information for reviewing consents or issuing abatement notices.

A GHG Management Plan can only ever be an indication of intent but reporting can be mandatory.

29. How should best practice requirements be incorporated into national direction? What factors should councils consider when determining what is economically and technically feasible at the site-level?

If the national policies set emission limits then facility owners have a clear target to aim for. If it is a new application then the limits are mandatory and for renewals the use of shorter consent term and review provisions can provide incentives to transition existing operations to be low emission. An advantage of site based limits is that offsets and other mitigation solutions can be used to assist transition of more difficult to convert applications. Limits should be based on site total

30. For large boilers and combustion plants, should an emission limit value be included in the consent conditions, based on the specific application outlined in the GHG emissions plan (fuel use x emission factor), as occurs in Europe and the US?

Yes

31. Referring to each specific schedule, do you agree with the content of the GHG emissions plans for small (Schedule 1) and large (Schedule 2) sites?

No. A lot of the information sought is not relevant for considering GHG emission reduction intentions and is over reach. Much of the information sought appears to be principally for the purpose of collecting information. The onus must be on the facility owner to meet emission limits and to show how this will be achieved. The applicant should be required to provide evidence of how any intentions will be met and milestones for any variation on emission levels from national standards can be made a condition of consent. Using discretionary consents allows for flexibility for applicants to show how they will meet the national limits and by when.

32. In your view, are the materials referenced in Appendix Two appropriate for each sector and across sectors?

The document for biomass boiler systems is relevant but it should be left to each applicant to determine the evidence that they will provide to support applications for consents. The NPS and NES should specify the targets and it is up to applicants to demonstrate how those targets will be met. Excessive intervention by consent authorities who have no accountability for outcomes will be detrimental to the success of the proposed policy. Excessive over reach by consent authorities will increase liability risk to consent authorities.

33. Is there anything that has been overlooked in this section with regards to the reality of business practices? For local government: is there anything that you feel has been overlooked in this section with regards to the reality of consenting practices?

The success of the policy proposal will be in having a balance between providing clear emission limits and assisting emitters transition. Currently there is very limited support provided to emitters and there is no plan. The current market led approach will not address the market failures that are holding back transition happening faster now.

Funding from either a levy on coal (electricity and gas are already levied but coal is not levied, yet it is the principal emitter) or recycling funds from the NZETS to a transition programme would assist transition. With no current plan for transition the existing policies are ad hoc and not developed in partnership with industry. An industry/government Advisory group would assist with planning across sectors and across agencies.

There has been limited reach out from Government to the sector agencies which could assist speed up and ensure a successful transition.

34. Do you support the development of non-statutory guidance on how to consider wider GHG emissions (direct and indirect) through RMA planning and consenting processes?

Yes. Industry entities such as the Bioenergy Association have tools available for delivery of the guidance but lacks the funds for developing the guidance, and providing other than simple guidance. If these entities are not used then Government will have to do the heavy lifting alone.

35. What are the key areas that guidance needs to cover?

The guidance needed is beyond just guidance for consenting. The assistance and guidance for consenting has to be part of a full implementation plan. Consenting is only a part of the full range of aspects which will influence decisions to transition from fossil fuels. In the bioenergy sector it includes the availability of biomass fuel and the availability of options such as renewable diesel and renewable LPG so that emitters have the confidence to change fuels for heating.

36. Is there anything that has been overlooked in this section with regards to the reality of business practices? For local government: is there anything that you feel has been overlooked in this section with regards to the reality of consenting practices?

Local government and consenting can not be separated from the applicants and their advisers. All need to have assistance if we are to make these policy reforms work.

Regards

Brian Cox
Executive Officer
Bioenergy Association