

Questions on Resilient Low Carbon Transport

The government welcomes feedback on questions raised in this discussion, such as:

On energy security:

How important is it for New Zealand to be more self-reliant for transport fuels, for example, through the development of local biofuels and electricity as a transport fuel?

Chamber Southland submission:

The security of transport fuels in terms of continues supply and security, needs to have a component with a minimum of a local NorthIsland and SouthIsland regional supplier and producer of each type of fuel. This input should be a mix of both electricity and biofuels when they are economically produced but both oil and gas need to be exploited and added to the mix.

It is vital that decisions on product mix, supply and production are NOT made for the reasons of political advantage but are done for sound economic and environmental values.

On biofuels:

While the government has agreed to introduce a minimum biofuels sales obligation, should New Zealand aspire to reach a higher level over time? If so, how could this be achieved?

Chamber Southland submission:

The current policy of requiring a 3.4% biofuels mix by 2012 we see as an introductory step towards the minimum standard that will be acceptable internationally especially by our trading partners. We believe that New Zealand should strive to increase the mix of biofuels to be inline with internationally acceptable standard but should not set the standard. New Zealand should not be or have aspirations to be a leader in the setting of such bench marks, as our percentage of contribution to “greenhouse” emissions at approximately .04 of one percent amounts to such a negligible percentage of the worlds contribution any decreased effect we may make would be unnoticeable to the over all effect, other than that of being political. Being such a small country with a population of only 4.2 million excludes us from having the luxury of being able to have high expectations to obligations on our part as to having sustainability to production and/or supply without having a noticeable negative effect on NZ’s economic performance.

On public transport:

Do you agree government spending on public transport should continue to increase, recognising the wider benefits this brings?

Chamber Southland submission:

Yes- although it is no conclusively proven that public transport is having ‘wider’ benefits or what the ‘wider’ benefits are and as to whether these recognised ‘wider’ benefits are offsetting any disadvantages. Government should increase spending in the area of Public Transport both in the supply of and investigations on, more efficient methods. This should be done at a Regional level to take into account the satiability of different forms of local passenger transport on balance with economic and community needs.

On emerging technologies:

How much priority should New Zealand give to monitoring the latest transport technologies? Should we have a role in developing these, or are we better to wait until the technologies become available and then import them?

Chamber Southland submission:

Globally, there are rapid advances in the areas of technologies including within New Zealand e.g. Rolleston Plasma plant. Our first step and priority as a small nation is to monitor these advances, to adopt, adapt and/or improve on these to suit the New Zealand conditions. We do not have the funding resource to ignore current projects and start the same ‘greenfield’ projects. However we believe there is merit in Government/Private sector partnerships to expand on existing and new concepts that could earn NZ sustainability of production and secure IP in private hands for exploiting as export. This could be done by way of research grants and tax incentive on R&D and depreciation costs.

On improving fuel economy:

Should the government take steps to improve the fuel efficiency of the vehicles on our roads? If so, what tools (regulation, incentives, information) should be used? If so, how stringent should these measures be?

Chamber Southland submission:

Central and Local government is the first step in the evolution of fuel efficiency by leading with environmental but economical solutions to the fleet. This can be followed by stringent regulation in areas of vehicle emissions, proven best practice driving ethics and control over the import of inefficient vehicles that are not acceptable in other countries. The quality of roading, access and the roading structures need strong consideration in order to have motoring and transportation efficiencies in economy. Incentives in the use of or the transfer to alternative fuels, when economically and environmentally sustainable.

On electric powered vehicles:

Do you agree with a policy to encourage early uptake and use of hybrid plug-in and full electric vehicles? If so, what should these measures be?

Chamber Southland submission:

We agree to the principle of hybrid systems and electric vehicles when sustainability on individual case by case situation is proven. Incentives in the use of or the transfer to these fuels, would inspire communities to adopt them, for business this could be the improved depreciation costs

On freight:

*A number of factors limit our ability to increase significantly the amount of freight being transported by trains and ships.
Should the government be doing more, and, if so, what?
Do you agree with the need to develop a
New Zealand Shipping Strategy?*

Chamber Southland submission:

Commercial factors are too strong and the infrastructure has been eroded and now to week to have a workable and affordable economical strategy.

On urban design and kilometres travelled:

*Should the government be more active in influencing decision-makers to take into account transport energy and infrastructure cost considerations when making land-use decisions?
If so, what tools (regulation, incentives, information) should be used?
How can government best encourage individuals and businesses to make sensible changes to the way and distance they travel?*

Chamber Southland submission:

Regulation in this area is NOT a consideration, the economy, business and personal lives of New Zealander's is currently over regulated with compliance costs, hindering growth and hindering advancement. Any regulations of this magnitude would have negative effect on the future of the nation. The communities are capable of self regulation based on sound economic and environmental principles. Giving information and incentives are the best tools of influence

On responding to changing vehicle technologies and fuels:

Do you agree that, in the long term, there is merit in changing to a distance-based charging regime in order to ensure adequate land transport funding, irrespective of which fuels vehicles use?

Chamber Southland submission:

We agree that there is some merit to a user pays system, (not distance-based) to ensure adequate funding for improvement to the roading and transport systems and structure. We believe that this should be by regional 'catch and hold' for the advancement of regional resources and administered through the Regional Transport Authority.

Questions on Security of Electricity Supply

The government welcomes feedback on questions raised in this discussion, such as:

On security of supply:

How should New Zealand balance the trade-off between the consequences of supply being interrupted and the consequences of spending slightly more to further reduce the risk of interruption?

Chamber Southland submission:

Trade off is not an option.

New Zealand must secure and uninterrupted supply of energy, with a strategy including increased internal supply and delivery mechanisms at affordable cost to the private and business sectors. This should include energy savings and efficiency regimes and may mean a restructure of ownership, delivery of networks and production of energy.

Foresight must also be given to the encouragement of private electricity supply. Homeowners and business should be encouraged by financial assistance and advice in the instillation of solar, wind and other energy alternatives available that they could install for individual use.

On wind generation:

In terms of security of supply, wind generation cannot guarantee firm capacity to meet loads and is less able than other types of generation technologies to provide contingency services. However, it is a promising technology that offers many benefits. How great a part should wind play in our generation mix?

Chamber Southland submission:

Wind generation can be included in a regional supply strategy as an addition to the local security of supply and to take pressure off the national grid. It should not be seen (in the short to intermediate term at least) as a budgeted constant for supply to the national grid.

On public confidence:

Does more need to be done to improve consumer and investor perceptions of security of supply?

Chamber Southland submission:

Much more could be done. Easy to follow statistics on a weekly historical supply and demand – forecasted supply and demand with information on new and proposed projects and their relationship and timing to future known needs. Include information on current and proposed legislation in the energy sector.

A lot of which is available but too hard to source could be directed through a single portal simpler to govt.nz/agencies/

On demand-side response:

The level of demand-side response currently provided by the market is thought to be well below its potential. What, if anything, should be done to boost levels of innovation and institutional arrangements to promote demand-side management?

Chamber Southland submission:

An assumption can not be made that business can economically respond with production cycles to meet the expectation of the use of 'demand-side management'. Business is well aware of the process by being financially disadvantaged at peak power times. Often as not it is more likely to be more economically viable for business to close production that to utilise 'demand-side management' this mechanism MUST NOT take precedent over security of supply.

Questions on Low Emissions Power and Heat

The government welcomes feedback on this issue through its consultation on two climate change discussion papers presently out for consultation, as well as the replacement National Energy Efficiency and Conservation Strategy.

The government also welcomes comments on questions raised in this draft, such as:

On meeting future electricity requirements:

What are the key drivers for deciding which energy resources New Zealand should use to meet its future electricity generation requirements? What sort of electricity generation mix do we want over the next five, 10, 15, 20 and 30 years? What is the future role of fossil-fuel-based electricity generation over the same time period? Is it possible to meet future annual electricity load growth with renewables only?

Chamber Southland submission:

Whilst it would be desirable to meet the future electricity demand from renewable sources only, we believe that in order to satisfy economic growth and security of supply to New Zealand, renewable energy cannot be relied upon alone to meet our future electricity generation needs. Fossil-fuel based electricity will have a place but this need not be met solely by the burning of but by utilising the use of liquefaction technology especially around the areas of lignite.

Advances should also be made in working towards domestic consumers utilising incentives in satisfying private domestic electrical needs through solar and other means in combination with a healthy home practices.

On the Resource Management Act:

Does the RMA have a role to play in providing national guidance to help meet the strategy's objective of maximising renewable generation? How should greater use of renewable energy and reducing greenhouse gas emissions be reconciled against local environmental effects?

Chamber Southland submission:

The Current RMA has enough guidelines and framework in which to work effectively to encompass the desired outcomes of control over all environmental issues.

On energy prices:

Should energy prices reflect costs and include environmental externalities? How should cost-reflective pricing be balanced against the issues of affordability and fairness?

Chamber Southland submission:

Energy cost should NOT include an added component tantamount to a 'green' tax in order to discourage usage or to promote certain energy options. To do so could allow a political interference that could be abused. Prices should reflect the cost recovery of production and delivery only, there maybe however some merit in a small increment (possibly round up pricing) to be used for research and development of environmental energy production.

Questions on Using Energy More Efficiently

The government welcomes feedback on this issue through its consultation on the replacement National Energy Efficiency and Conservation Strategy. It also welcomes comments on questions raised in this draft, such as:

On priorities:

On capital stock:

What actions should be taken to increase energy efficiency in capital stock (buildings and appliances)? How urgent and stringent should these actions be? What barriers exist presently to further measures to increase energy efficiency in capital stock? How could these be removed?

Chamber Southland submission:

Current changes being taken in the building code are sufficient to allow for healthy and energy efficient homes. Further increases in compliance are unnecessary as being negative to the economy and building of housing stock through affordability.

On institutional issues:

Should energy suppliers have an obligation to carry out energy efficiency activities with their customers? If so, how should the obligation be implemented and targeted at customer groups?

Chamber Southland submission:

We do not support this as an obligation. We see this as draconian but support the principle that the service should be available at no cost to the customer, should they wish to take advantage of it.

Questions on Sustainable Technologies and Innovation

The government welcomes feedback on questions raised in this discussion, such as:

On private and public sector leadership:

How could private/public working groups best be structured to provide ongoing sustainable energy leadership and direction? Are there any particular areas of work the taskforce needs to address?

Chamber Southland submission:

We question the need to invent any more public funded working groups or committees outside the existing frame work. Such groups only try to justify their existence creating more unnecessary compliance and cost.

On increasing capabilities and improving coordination:

How can capabilities and coordination be improved? What would encourage non-government partners to contribute to research activities led by government?

Chamber Southland submission:

Partnership with the private sector would be best encouraged by tax incentive and grants relative to research and development, this could be done by way of research grants and tax incentive on R&D and depreciation costs.

On expanding support for innovative activities:

Are there are other important areas the government needs to look at to provide a strong operating environment for energy innovation in New Zealand?

Chamber Southland submission:

We have no response to this question

Questions on Affordability and Wellbeing

The government welcomes feedback on this issue through its consultation on the replacement National Energy Efficiency and Conservation Strategy as well as comments on questions raised in this discussion, such as:

On access to services:

Are additional measures required to reduce unavoidable disconnection? Are regional heating costs an important factor in differing access to energy services?

Chamber Southland submission:

We have no response to this question

On underlying causes:

Do you agree that further initiatives are required to help low-income households by targeting underlying causes of high spending on electricity, such as inadequate house insulation? If so, what should these be?

Chamber Southland submission:

Current initiatives and incentives are adequate at this time. The issue of uptake by low-income households is hampered by mindset, a reluctance to take responsibility or empathy to recognise the issues. Constant education and awareness programs should be used, buy cleverly constructed messages to encourage mindset changes.

On mobility:

What kind of measures are required to achieve greater mobility through improved urban form and transport infrastructure? Is there any further work needed in this area?

Chamber Southland submission:

Yes- we reiterate our reply under 'the low carbon transport' section above as: Government should increase spending in the area of Public Transport both in the supply of and investigations on more efficient methods. This should be done at a Regional level to take into account the satiability of different forms of local passenger transport on balance with economic and community needs.

On the provision of information:

Do consumers have adequate access to comparable information about energy options? If not, what further measures are required?

Chamber Southland submission:

Yes- competition in the commercial sector is increasing the amount of information on product and services that are available and as government implement incentives through Tax and Grants to business for R&D, new products and service will increase, along with education and information on these.

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