

24 September 2010

**SUBMISSION TO THE MINISTRY OF ECONOMIC DEVELOPMENT  
ON THE DRAFT NEW ZEALAND ENERGY STRATEGY**

S10.24

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 51 Nationally Organised Societies and National Members. It has 23 Branches throughout the country attended by representatives of those societies and some 150 other societies as well as individual members. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action.

This submission is based on responses from the members of the Environment Standing Committee, as well as the members of one branch and individual members. This submission has been reviewed by the Parliamentary Watch Committee and a Board member of the National Council of Women of New Zealand.

NCWNZ have made previous submissions in 2001 on the Energy Efficiency and Conservation Strategy, which was mainly supported, and on the Electricity Industry Bill, which was welcomed, but doubts were expressed as to whether the good intentions could be achieved.

***New Zealand Energy Strategy***

The following questions, provided by the Ministry of Economic Development, were asked of members:

***Question 1: Does the proposed NZES effectively promote and support the appropriate development and use of energy resources. If not, what changes do you propose?***

All members thought that technologies that avoid oil dependence need to be used and developed, for example, wider use of solar panels, products that develop plastics from plants not oil, small hydro power plants and small wind turbines.

Further investigation into renewable raw resources and various plant materials as biofuels should be encouraged. Sewage is another source, and plants such as raupo and fodder beet can also be used. But incentives need to come from the government.

New Zealand has access to geothermal energy, and marine power from the sea. Why has the government failed to develop these sources further? A rise in oil price is forecast which will drive incentives along these lines. Some suggest that such a rise is likely by 2013 to 2015 at the latest.

Although some diversification progress has been made, if our emissions are still increasing it is not nearly enough and not nearly fast enough. Members thought that this should be the Government's top priority, since no economic benefit will arise if we are still oil dependent.

***Question 3: Do you have any comments on the proposed goal, priorities and 12 areas of focus?***

Although the 12 areas of focus were not in order of priority, all members were unanimous in

saying that no. 12, *Reduce energy-related greenhouse gas emissions* should be no. 1, and no 1, *Develop petroleum and mineral fuel resources*, should be no. 12. It was suggested that the focus should be as follows:

- (1) Develop renewable resources
- (2) Embrace existing alternative energy technologies
- (3) Develop petroleum and mineral resources for NZ use only.

This would improve the emphasis of the focus and goals.

The following points were raised by members:

- (1) Developing of new energy resources – which? Emphasis needs to be on local or regional infinite solar development with augmentation by wind and other small scale developments, i.e move away from the national grid scenario.

Hydro and wind farms can be developed together, with two lakes one above the other. Wind power is used to move water up to the storage lake above. Then when the wind stops, the water is allowed to run down through a generator to the lake below. (Windflow Technologies Ltd. have quoted this Welsh technique in their prospectus).

- (2) Sustainable energy technologies – research and development needs to be part of the mix.

- (3) There is potential for oil reservoirs, but no certainty. Many oil wells are found to be dry. And the depth of oil can also cause problems. It is a finite resource that is presently at the level of maximum production ever likely to be achieved, which should not be used solely by the current generation. And with the oil pollution in Gulf of Mexico, off shore Nigeria, Asia, Alaska and many other areas, there should be caution in off shore exploration, drilling and transportation. The precautionary principle applies. It is the same with coal – most members think it best to leave it in the ground for the future when climate change has been at least partly controlled.

Oil security – our lack of it is good reason to focus on what we have to hand – solar, established hydro, geothermal and wind.

Most members thought that oil recovered should not be sold overseas. New Zealand should not be looking for short term gains.

- (4) Competitive energy markets – energy supply is a public good and should be the responsibility of the government to supply, sustain and provide at a fair price without the competitive profit making emphasis of the open market. (cf railways and electricity generation which were run down by private enterprise, and Telecom as a monopoly which proved to be bad for the public). New Zealand does not have the population numbers to support competition in this public good type industry.

- (5) Information – this is very important to provide, but alongside education. Most households are focused on day to day living. They want a supplier who is guaranteed to give best value ie a nationally controlled entity. The information booklet on Climate Change that was posted to every house in Sweden is thought to have been effective. Most people do not search out information on Climate Change.

#### **Question 5: Do you have any other comments?**

A comment from most members was that there was little concrete information in the Draft NZ Energy Strategy. One member described the Strategy as “opaque”. For instance, the kind of graphs and information expected can be found in the book “The Carbon Challenge” by

Geoff Bertram, (retired Professor and Senior Researcher at the NZ Climate Change Research Institute and the Institute of Policy Studies at Victoria University) and Simon Terry, (Executive Director of the Sustainability Council). The NZ Energy Strategy is full of good intentions with no record of achievements in the last twenty years that climate change has been discussed, and no original new proposed actions that can be expected to reduce emissions in the future. The attempt to reduce emissions is described as “long term”, and it seems to be expected that it will just happen of itself. NCWNZ in previous submissions has suggested that fossil fuel resources should be left in the ground for the sake of the planet's climate and for future generations. This is still supported by most members.

### ***New Zealand Energy Efficiency and Conservation Strategy:***

The following questions, provided by the Ministry of Economic Development, were asked:

#### ***Question 1: Does the draft NZEECS clearly explain the Government's policy and priorities for promoting energy efficiency over the next five years? What do you consider the priorities?***

- a) There is too little detail about HOW the policy will be implemented. There seems to be no emphasis on rewarding positive initiatives, such as planting permanent native forests. There should be incentives to embrace energy efficiency.
- b) There is also a failure to spread responsibility throughout all sectors, with large emitters being given 20 to 50 years before having to face up to the real cost of emissions. These emissions will have to be paid for by taxpayers. This also removes the incentive to reduce emissions.

#### ***Question 2: For each sector, are the objectives, targets, rationale and policy outlined in the draft? What changes do you propose?***

The Strategy needs to be much clearer on where exactly New Zealand plans to be with energy supply and security, both short and long term. Concentration on solar power as the one infinite renewable energy source should be a priority. It needs to be efficient and much cheaper for the public to install than at present. In Europe it is being used extensively. Solar power needs to be government subsidised at this early stage.

##### *Transport:*

Long distance loads should go by train, which is a long held NCWNZ policy.

Local transport could be saved by reducing travel to processing plants in another area. This would help local economies if processing could be spread around. The present economy was developed on very cheap fossil fuels, no longer available.

Public transport should also be subsidised instead of funds being used to build more roads.

##### *Homes:*

The policy to support the insulation and clean heating of at least 186,000 homes by 2015 is commended and supported.

Members considered that the building code should include solar water heating, double glazing, an increased level of insulation, a water tank for roof collection, and a grey water tank as mandatory throughout New Zealand for new buildings. This could be extended to older homes in future years. In most areas there are empty buildings, which should be

upgraded and used before new buildings are erected.

**Question 3: What should the Government do to deliver the NZEECS? In many cases the draft suggests the Government will support or encourage other parties to make changes. How do you consider this support or encouragement is best provided?**

There has been information and much talk about Climate change and oil decline for some twenty years now. Many have taken steps to reduce their emissions. It is possible that incentives need to be offered to encourage all the population to take part. This could be a better option to providing free New Zealand carbon units (NZUs) to industry and commerce.

**Question 5: do you have other comments?**

a) Members think that any Energy Strategy must lead to reduced emissions.

The book "The Carbon Challenge" previously referred to, quotes a peer-reviewed Report "The Inconvenient Untruth", issued in July 2007 by the Sustainability Council. This established that by far the most number of options at the least cost to reduce emissions could be found in the agricultural sector. These options are not only commercially available but are actually in many cases profitable to undertake. For instance, nitrification inhibitors act to retain the nitrogen in the soil for longer, giving better pasture growth for less fertiliser. This Report was withheld from the public, and Professor Geoff Bertram had to apply to the Ombudsman to receive a copy.

To quote from *The Carbon Challenge*, Bertram & Terry, 2010, p. 149:

"The dairy sector has the bulk of the cheap abatement options, and without a direct financial incentive to harness them, the nation will end up paying for credits when it could be achieving the same savings at a profit to farmers."

b) If New Zealand exempts some companies from paying for carbon emissions, it is possible under WTO rules that a carbon tax could be put on NZ produce as it enters the country that purchases and consumes the goods.

It would be much more equitable if New Zealand paid only for emissions on produce consumed in New Zealand. Since New Zealand feeds seven times the NZ population overseas, it would be better for carbon tax to be paid on produce at the point of import overseas. Instead, an undue burden may be placed on New Zealand, causing it to face a disproportionately large bill from Kyoto for agricultural emissions.

## **Conclusion**

Since the agricultural abatement options do not rate a mention in the Energy Strategy, members would like to see further discussion at government level. It would appear that the government and New Zealand would be better served to assist the agricultural sector to apply these options, rather than to assist large industry and commerce with free NZUs.

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