



Report 08.101  
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Committee Council  
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## Climate Change (Emissions Trading and Renewable Preference) Bill: Draft Council Submission

### 1. Purpose

To obtain Council approval of the submission on the Climate Change (Emissions Trading and Renewable Preference) Bill.

### 2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### 3. Background

Last year, the Government consulted about various climate change issues and an emissions trading scheme through a suite of documents.

One of these documents was titled *Sustainable Land Management and Climate Change*. This document indicated one of the options being considered was the possibility of having to buy carbon units for land that was planted with trees before 1990, subsequently deforested and not replanted. The Council Chair wrote to Ministers of the Crown expressing this Council's concern about this in relation to possible wind energy developments. It was noted the preliminary cost of carbon units could be in the range of \$1.3-1.5M just for the Puketiro wind farm. It was pointed out that use of the land for wind energy generation, through avoiding hydrocarbon generation, was about one order of magnitude more effective than sequestering carbon in trees over a 30 year growing cycle.

There was a subsequent reply from the Government suggesting the policy conflicts should be included in a response to a later discussion document. This was raised in a response but the issue has not been addressed in the Bill..

#### **4. Council submission on the Bill**

In December, the Government introduced the Climate Change (Emissions Trading and Renewable Preference) Bill.

The general policy statement in the Climate Change (Emissions Trading and Renewable Preference) Bill notes that in accordance with New Zealand Energy Strategy the Government has adopted a target of 90% renewable electricity generation by 2025. Provision is made in the Bill for various constraints on new hydrocarbon based electricity generation.

As a long-term holder of sustainable plantation forests, there are many aspects of the Bill that will have little impact on the Council as the current policies require areas that are logged to be replanted.

The draft submission, attachment 1, is therefore supportive of the general thrust of the Bill, though it should be noted there is provision for various regulations concerning emissions trading issues and these could have an impact on the Council. Of possible concern is the methodology for measuring carbon sequestration in the trees and possible emissions liability. The Council submission suggests that the economic cost of obtaining the information has to be considered in relationship to the worth of the information.

The second aspect of the Council's submission relates to the removal of trees planted before 1990, specifically to allow renewable energy generation. While the Council is directly concerned about the Puketiro wind farm development, the same issue could apply to clearance of land to build a geothermal power station or clearance of land for a hydro generation lake.

In the public transport section of the submission, the Committee's attention is drawn to the impact of the Council's funding of public transport.

Submissions close on 29 February 2008.

## 5. Recommendations

*That the Council:*

1. ***Receives*** the report.
2. ***Notes*** the content of the report.
3. ***Approves*** the draft submission subject to any changes as a result of discussion at the Council meeting.

Report prepared by:

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**David Benham**  
Chief Executive

**Attachment 1: Draft submission on the Climate Change (Emissions Trading and Renewable Preference) Bill**