

# National Responses Linking Energy, Climate and Emissions



**Sustainable Energy Forum**

Convenor - Tim Jones

# Overview

- The State of Play
- Alphabet Soup: NZES, NZEECS, OERS, UNZTS
- The 2009 New Zealand Energy Outlook
- The Vehicle Energy and Renewables Group
- An Election Issue?
- In the Balance
- Conclusion
- List of Acronyms Used

# The State of Play - 1

- Transport formed 19% of NZ's domestic emissions in 2006
- Domestic transport emissions rose 64% between 1990 and 2006
- NZ transport is 99% dependent on oil
- International aviation and shipping are also significant contributors to emissions
- The NZ price of 91 octane petrol averaged \$1.03 in 2001
- Since October 2006, the NZ price of diesel has risen from \$1.04/litre to \$1.84/litre at the end of June 2008
- Almost all oil produced in NZ is exported. In April 2008, NZ domestic oil production equalled 70% of imports, due mainly to the Tui field

# The State of Play - 2

- Government anxiety over rising fuel prices has led to:
  - Backdown on the date transport introduced into ETS
  - Attempt to defuse truckies' fuel price protests
- LTNZ proudly announces a 19% increase in funding for state highway construction in 2008/09 - to \$791 million
- Government has made public commitment to additional roading e.g. "completing the Auckland roading network"
- Transit's 10 Year Transport Plan proposes spending 230 times more on roads than on cycle and walking infrastructure
- National Party promised further expansion of roadbuilding (2007)
- Academic respectability of taking action on climate change - the Victoria influence
- So far, Peak Oil/oil depletion arguments not considered academically respectable, despite work at Canterbury, Otago ... starting at Victoria?
- Oil exploration in Great South Basin likely to restart 2010 or 2011

# The NZES: A Lost Opportunity

- NZES=New Zealand Energy Strategy
- Very much David Parker's baby - reflects a lot of his personal thinking
- NZES pays extensive attention to climate change
- Peak oil relegated to one-page sidebar. Cites IEA 2006 report: 116 million bpd oil demand by 2030
- Emissions reductions "wedges" - non-quantified - in transport. New fuels is largest wedge
- Transport emissions reduction target: "an in-principle decision to halve domestic transport emissions per capita by 2040"
- Credit due for setting a target, but "in-principle" and "per capita" are problems
- Prominence of EVs in achieving this. To Minister and MOT, EVs means electric cars - other forms of electric transport marginalised

# The NZEECS

- NZEECS=New Zealand Energy Efficiency and Conservation Strategy
- Better than the NZES as it comes within Jeanette Fitzsimon's area of responsibility and reflects her priorities to some extent
- But tends to have less influence, as administered by EECA, which has less clout than MED
- Incorporates NZES transport goals, but also has more detailed goals
- Focus on transport demand management, energy efficiency in ICE vehicle fleet, public transport, walking and cycling
- Beginning to focus on freight - baseline study, New Zealand Domestic Sea Freight Strategy

# The OERS

- OERS=Oil Emergency Response Strategy
- Has been awaited for a while - SEF made submission in late 2006 on discussion document
- IEA 90-day requirement is for their benefit, not ours - hence offshore storage (Japan, Australia, Netherlands, UK)
- Designed to cope with a 90-day disruption - has deliberately been isolated from process of developing longer-term responses

# UNZTS

- UNZTS=Update of the New Zealand Transport Strategy
- Draft document was best yet produced in terms of taking both oil depletion and climate change seriously
- Draft reflected beginning of collective awareness by departments involved that oil issue couldn't be ignored (some individual officials have realised and advocated this for years, but previously no traction at official levels)
- Should have been released in early July - delayed till August



# 2009 NZ Energy Outlook

- MED doing better than Treasury: 2006 NZEO incorporated high oil price scenario as well as BAU scenario which was reference case.
- World oil prices have tracked much closer to high oil price scenario, and have recently outstripped it
- SEF proposal: make high oil price scenario the reference case in 2009
- IEA November 2008 report may be influential
- Desire not to scare the horses
- MED preparations for NZEO begin early 2009

# The VERG

- VERG=Vehicle Energy and Renewables Group
- Gives effect to NZES pledge to set up expert group to advise in these areas
- Membership: 1 NGO, 1 academic, car industry, AA, alternative fuel developers
- Brief: advise Government on opportunities, barriers, actions, technologies, R&D, industry capacity and resources
- Focus on EVs: NZES pledge to make NZ one of first countries in world to widely deploy EVs - group supposed to find ways of making this happen! But not easy ...
- Project Better Place - an option for NZ?
- Likely outcomes?

# An Election Issue?

- Labour and National: “Building for Victory” - more precisely, promising to build roads in the quest for electoral victory
- United Future, New Zealand First and ACT: don't know, don't want to know about climate change and peak oil
- The Greens: pushing the cause for years, but trying to avoid Cassandra's fate in 2008?
- The Maori Party: Policy goals vs constituent expectations
- Possible outcomes and their consequences
- The oil exploration wild card: a major find unlikely to affect world oil prices (17 billion bbl find suggested by promoters = 7 months' world consumption), but will affect NZ psychology

# In the Balance

- Dawning awareness among officialdom. Expansion of MOT capacity on issues around energy and environmental components of transport policy
- Public groundswells: truckies and “punish the oil companies”, but also Transition Towns
- Risk of knee-jerk reactions: lowering fuel tax, relaxing emissions or fuel economy standards, converting Southland lignite, relaxing standards for oil drilling
- Hope of positive reactions: transport alternatives, energy conservation, transition pathways
- Reality is already forcing us to adapt. Reality isn't about to go away.

# Conclusion

At a national level:

- Awareness of climate change is widespread, but doesn't yet drive significant action to reduce emissions.
- Awareness of effect of oil depletion on transport is increasing.
- Awareness of implications of oil depletion for food, trade, tourism etc. has barely begun.
- Will awareness translate into action, or inaction?
- If action, will the action be productive, counterproductive, or (as is typical) a little of both?

SEF: [www.sef.org.nz](http://www.sef.org.nz)

# List of Acronyms Used

- LTNZ: Land Transport New Zealand
- MOT: Ministry of Transport
- MED: Ministry of Economic Development
- EECA: Energy Efficiency and Conservation Authority
- IEA: International Energy Agency
- NZES: New Zealand Energy Strategy
- NZEECS: New Zealand Energy Efficiency and Conservation Strategy
- OERS: Oil Emergency Response Strategy
- UNZTS: Update of the New Zealand Transport Strategy
- NZEO: New Zealand Energy Outlook
- VERG: Vehicle Energy and Renewables Group
- EV: Electric Vehicle
- ICE: Internal Combustion Engine
- SEF: Sustainable Energy Forum
- BAU: Business As Usual
- bbl: Barrels of oil