

Press Release from the Sustainable Energy Forum

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CAN EMISSIONS TRADING BE JUSTIFIED?

"The Government's proposed greenhouse gas emissions trading scheme may result in little actual reduction of New Zealand's emissions. This may be especially true if companies are allowed to take part in offset schemes" said EnergyWatch editor John Blakeley.

The latest issue of the Sustainable Energy Forum's journal, EnergyWatch (<http://www.energywatch.org.nz/recent.html>) features issues which need resolving before the Government adopts a carbon credits and emissions trading regime for New Zealand.

Climate Change Minister, David Parker, indicated in early May that a domestic greenhouse gas emissions trading scheme, designed to help New Zealand meet its Kyoto Protocol targets, is likely to be phased in from next year. The Government is expected to announce details of its proposed trading scheme next month.

"The concept of emissions trading is developing into a contentious matter. Big business now generally favours emissions trading over a carbon tax, arguing that trading uses the profit motive and the ingenuity of markets to find the cheapest way to cut greenhouse gas emissions" said Mr Blakeley.

One of the most contentious aspects of emissions trading schemes is whether they should allow the purchase of "offsets" - that is, whether they should allow emitters to gain credits by investing in schemes that reduce greenhouse gas emissions elsewhere, rather than by reducing their own emissions.

"A key question is: If an individual or industry can simply buy carbon credits and keep on emitting greenhouse gases in the same or increasing quantities, is there a real environmental benefit?" Mr Blakeley said.

Planting trees, for example, to offset air travel emissions will work but it can take up to 100 years or more for the trees to grow enough to recapture the carbon dioxide emitted by that air flight. Rather than reducing emissions, offsets can simply defer finding a solution. Emissions trading has been said to be an economically expedient game to salve guilty consciences.

Mr Blakeley said that many of the carbon credit schemes now being offered around the world are of questionable value - involving anything from hydro-electricity generation in Bulgaria, to tree planting in Uganda, to buying low-energy light bulbs for distribution in developing countries, including the forward buying of carbon credits in schemes which do not materialise or fail to deliver the promised credits.

Mr Blakeley said that in summary, if carbon credits and emissions trading are effectively going to help reduce greenhouse gas emissions in New Zealand, then:

1. Rather than just salving consciences, the process must genuinely help to change the economic and social behaviour of people and organisations. By measuring their emissions, they can make intelligent decisions about reducing their energy consumption and emissions, through greater efficiency and better technology.
2. The source of the credits being purchased must be rigorously monitored and audited, to try and avoid fraudulent activity.

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