

6 July 2016

ETS Regulations Updates 2016
Ministry for the Environment
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Wellington 6143

By email: ETSRegsupdate@mfe.govt.nz



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**Submission on the Proposed Technical Updates
to NZ ETS Regulations for 2016**

Introduction

1. This is Vector Limited's (Vector) submission on the Ministry for the Environment's (MfE) *Consultation on proposed technical updates to New Zealand Emissions Trading Scheme (NZ ETS) regulations for 2016*, dated June 2016.
2. This submission focuses on MfE's question regarding the continued inclusion of field specific natural gas default emission factors (DEFs) in the Stationary Energy and Industrial Processes (SEIP) Regulations (Question 4 in the consultation paper).
3. Vector's contact person for this submission is:

Luz Rose
Senior Regulatory Specialist
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4. We are happy for this submission to be made publicly available.

Response to Question 4

4. Do you consider it necessary to maintain field specific natural gas DEFs (as well as a national average DEF) in the Stationary Energy and Industrial Processes Regulations? Yes/No/Unsure

Please explain your answer.

5. Yes, Vector considers the retention of field specific natural gas DEFs in the SEIP Regulations to be necessary. This enables us to verify the source and DEFs of emissions, the costs of which are passed on to our gas trading businesses by gas producers/miners.

6. Our gas trading businesses, in turn, pass through the cost of emissions to our customers, consistent with the policy intent of the NZ ETS.
7. Overall, retaining the DEFs in the SEIP Regulations ensures transparency, including pricing transparency, and sends the right signals to the relevant businesses and their customers. This enables these parties to make informed commercial decisions, promoting market efficiency that ultimately benefits energy consumers.

Yours sincerely

For and on behalf of Vector Limited

A handwritten signature in black ink, appearing to read 'Luz Rose', with a long, sweeping tail extending to the right.

Luz Rose

Senior Regulatory Specialist