

Energy Markets Policy
Ministry of Business, Innovation and Employment
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To whom it may concern

Draft New Zealand Energy Efficiency and Conservation Strategy: 2017-2022

Thank you for the opportunity to provide feedback on the draft New Zealand Energy Efficiency and Conservation Strategy 2017-22. Please find attached a submission from Auckland Council.

Should you have any queries regarding this submission, please do not hesitate to contact John Mauro, Auckland Council Chief Sustainability Officer, at 021 221 6502 or john.mauro@aucklandcouncil.govt.nz.

Yours sincerely

Councillor Penny Hulse
Chair, Environment and Community Committee
Auckland Council

New Zealand Energy Efficiency and Conservation Strategy Refresh: 2017 - 2022 Targeted consultation document and call for written submissions

Submission to the Ministry of Business, Innovation & Employment

Introduction

1. Auckland Council supports central government's leadership in the review and implementation of the New Zealand Energy Efficiency and Conservation Strategy 2017-2022 (the Strategy) and its vision for New Zealand to advance an energy efficient, productive and low emissions economy.
2. Strong leadership and consistent strategic direction supported by a clear pathway toward a low carbon future are critical to provide certainty for long term investment, drive innovation, avoid or mitigate risks associated with climate change and mobilise meaningful action.

Goals and objectives

3. While the generic nature of the goal has merit, we encourage a greater level of ambition and a more comprehensive pathway to 'unlock New Zealand's renewable and energy productivity potential', and to deliver on its emissions reduction commitments in a changing energy context.
4. It would be beneficial if the Strategy included an overview of key trends and progress on current energy-related goals and targets. This would provide context as to the scope and scale of the opportunity and challenges as they relate to the priorities
5. Furthermore, no analysis is provided about New Zealand's changing energy context or progress made against existing New Zealand Energy Strategy priorities and targets. We recommend making public the analysis of delivery mechanisms and options. This will enable policy effectiveness to be better evaluated.

Turning aspiration into action - The critical role of Auckland

6. As a signatory to the Paris Agreement, New Zealand has committed to pursue efforts to achieve zero net carbon emissions this century. Auckland accounts for a significant proportion (27 per cent) of New Zealand's total gross greenhouse gas (GHG) emissions (exclusive of agricultural emissions)¹. Auckland therefore has a critical role to play in New Zealand achieving its overall emissions reduction targets and international obligations.
7. Recent analysis² has highlighted that the next four years will determine whether or not the world's cities can deliver on their part of that ambition. Collaboration is key and Auckland stands ready to work alongside Government and other key partners.
8. Transport and stationary energy combined account for approximately two-thirds of Auckland's total emissions³. Meeting the emissions reductions targets set out in the Auckland Plan (40 per cent reduction on 1990 levels by 2040⁴) is therefore contingent on tackling these significant

¹ Auckland Council submission on the New Zealand Emissions Trading Scheme Review, February 2016

² Deadline 2020 (2016) C40 Cities ARUP

³ Auckland's Greenhouse Gas Inventory for 2013. Auckland Council Technical Report 2015/031, December 2015

⁴ <http://theplan.theaucklandplan.govt.nz>

GHG sources. A strong NZEECS is vital for further enabling Auckland to reduce emissions in these two sectors. We therefore encourage the inclusion of additional actions (and accompanying targets) to better reflect the range of opportunities and the scale of change needed to achieve the strategy's goal and to enable cities including Auckland to play a more critical role.

9. There are a range of major opportunities that would enable Auckland to make a greater contribution, and where Auckland seeks more specific actions. These opportunities include but are not limited to:
 - a. Using whole-of-government procurement to embrace new technologies, for example energy storage technology, so that economies of scale can be achieved and supply-side market barriers are reduced to fast track uptake across the economy.
 - b. Investigating how to best enable increased shared mobility in conjunction with national initiatives, with a particular focus on enabling regulation, data access and shared mobility trials.
 - c. Increasing the stringency of the NZ Building Code minimum building performance levels to drive improvement to the energy efficiency of the building stock.
 - d. Providing more rigorous guidelines and regulations to improve the design and performance of new buildings and the retrofitting of existing buildings. This could include the introduction of mandatory disclosure of energy performance as well as design standards at point of sale, rent or lease for development.
 - e. Supporting technological innovation and skills development in areas that could generate beneficial energy outcomes as a secondary focus (e.g. waste sewage to biogas, food compost to heat) by facilitating demonstration and commercialisation opportunities as well as enhancing funding for research and development.
 - f. Removing the most inefficient appliances from the market through minimum energy performance standards whilst also promoting accreditation and clear communication of more efficient appliances through programmes such as Energy Star.
 - g. Supporting electric vehicle uptake (including beyond passenger cars) through a range of meaningful actions like leveraging collective procurement power for increased EV choice/supply and reduced price, developing consumer incentives that better drive purchasing decisions, supporting EV infrastructure and technologies, and ratcheting up the EV target to more than 2% of the fleet by 2021.
 - h. Improving transport energy efficiency from a combination of increased public transport, introduction of light rail and/or electric buses and an increase in walking and cycling.
 - i. Looking more holistically at the benefits of electric rail-based freight movement, given the capex and funding model constraints of Kiwi Rail, its recent decisions to move from electric back to diesel, likely future funding constraints from decreasing fuel tax

purchasing power and subsequent cost impacts of de-electrification on other agencies like Auckland Transport.

10. Watercare, a Council Controlled Organisation (CCO) of Auckland Council also believes that the goals and targets contained within the draft Strategy should be more ambitious and is supportive of more aspirational targets.
11. For Watercare and the wider council organisation, energy efficiency is a way to set a transformational vision for the organisation, for example moving to the next generation of wastewater treatment plants, and to take a real leadership role in the restoration and enhancement of the natural environment. We would like to see this level of commitment and ambition in the Strategy too since, as noted above, this is critical to meeting local and global ambitions of the Paris Agreement.

Goals, targets and tracking progress

12. We support the use of economy-wide targets, but are also concerned that only one new target (relating to industrial emissions intensity) has been introduced and that its ambition (emissions intensity fell by 1.0 per cent per annum on average between 1990 and 2014⁵) is limited to business-as-usual without intervention. The same observation can be made with the electric vehicle target.
13. Actions should wherever possible have clear and measurable targets. It would be beneficial to show targets relative to trends, baselines and international best practice benchmarks. This would provide a sense of the scale of change needed to achieve targets as well as progress made.
14. We also highlight the opportunity to increase and broaden the current target for renewable electricity generation to encompass renewable energy. This reflects the following:
 - The potential contribution of decarbonising energy use and generation in enabling New Zealand's to deliver on its commitments and international obligations to reduce greenhouse gas emissions.
 - That electricity accounts for just 25 per cent of New Zealand's energy. We therefore regard decarbonising renewable energy generation as a critical opportunity in driving innovation and retaining New Zealand's competitive edge.
 - That more 50 countries including Sweden, Germany, Spain, Norway and Costa Rica, already run or are committed to running on 100% renewable energy.
 - That despite New Zealand's abundance of renewable resources for electricity generation, it still lacks of a clear, cohesive policy framework and programme of action to achieve its current renewable electricity target.

⁵ Technical fact sheet on the proposed industrial emissions intensity target

15. We again recommend that the Ministry reviews the Royal Society of New Zealand's *Transition to a Low-Carbon Economy for New Zealand*⁶ report which highlights a broad range of opportunities, challenges and initiatives. These support our recommendations as outlined and raise further opportunities that we recommended MBIE consider.

⁶ <http://www.royalsociety.org.nz/expert-advice/papers/yr2016/mitigation-options-for-new-zealand/>