



New Zealand Emissions Trading Register

For managing our units and climate change response activities

Being a Participant in the Emissions Trading Scheme

User Guide



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About this user guide

This guide will give you general information about being a Participant in the Emissions Trading Scheme (ETS).

Intended audience

The audience for this guide is anyone who believes they may be a Participant in the ETS, excluding forestry participants.

IMPORTANT: This guide does not apply to forestry activities.



If you think you are a forestry participant, contact the Ministry for Primary Industries for further information.

Read this guide carefully to ensure you have all the information you need as a participant.

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Contact us

You can get more information through the Environmental Protection Authority website at www.epa.govt.nz, or by emailing us at info@emissionsregister.govt.nz.

You can also phone 0800 CLIMATE (0800 254 628) or +64 3 962 2708

Or send a letter to:

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Disclaimer

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Introduction

What is the New Zealand Emissions Trading Register?

The New Zealand Emissions Trading Scheme was created to help New Zealand reduce its meet its domestic responsibilities in relation to its greenhouse gas emissions to meet its obligations under the Kyoto Protocol. The scheme involves the use of New Zealand Units (known as “NZUs” or “units”) to encourage people to reduce their greenhouse gas emissions, and reward people who do things that capture greenhouse gasses.

The New Zealand Emissions Trading Register (the Register) is the national registry for these emission units. The Register acts like a bank, but it holds emission units instead of money. Anyone who wants to own or trade emissions units in New Zealand must have an account in the Register. It holds all the emission units in New Zealand, including those owned by the Crown.

Activities in the Emissions Trading Scheme

The Climate Change Response Act 2002 specifies the activities that are included in the scheme for each of the following industry sectors: forestry, transport fuels, electricity production, industrial processes, synthetic gases, agriculture and waste. Anyone in these sectors who carries out any of the specified activities is required to participate in the Scheme.

The Act also specifies activities where participation is optional.

People and organisations participate in the scheme in different ways:

- Those whose activities release greenhouse gases have to surrender NZUs or other eligible emission units to the Government. An example of this could be a company that mines natural gas, as this will emit greenhouse gases when it is used.
 - Those whose activities remove greenhouse gases from the atmosphere, or from New Zealand, may earn NZUs from the Government. An example of this is owners of forests that absorb greenhouse gases, or a business that exports products containing hydrofluorocarbons.
 - Some people and organisations receive NZUs from the Government. This is to reduce the financial impact of being part of the scheme. It is generally for sectors that face high costs as a result of the ETS because they are emissions intensive and are unable to pass on their increased costs to their customers.
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What is a participant?

A participant is a person or entity who carries out an activity covered by the ETS. Participation may be mandatory or voluntary depending on the activity.



The ETS covers activities that are defined in Schedules 3 and 4 of the Climate Change Response Act 2002. An activity emits greenhouse gases into, or removes them from, the atmosphere. An emission is the release of a greenhouse gas (methane, synthetic greenhouse gases, nitrous oxide and carbon dioxide) into the atmosphere. It is most commonly measured in carbon dioxide equivalent (CO₂e) units.

How do I know if I am Participant?

You should read the information on the EPA website, and carefully review Schedules 3 and 4 of the Climate Change Response Act 2002.

If you are unsure, please contact the Environmental Protection Authority. Our contact details are at the front of this guide.

IMPORTANT: This guide does not apply to forestry activities.



If you think you are a forestry participant, contact the Ministry for Primary Industries for further information.

If I am a Participant, what next?

If you or your business are a Participant, you must set up an Account Holder with at least one account, and provide details about your activities. You need to do this within 20 working days of starting any of the activities listed in Schedule 3 of the Climate Change Response Act 2002.

You will have to give details about the Account Holder, name your account, and set up all the online roles necessary to operate your account.

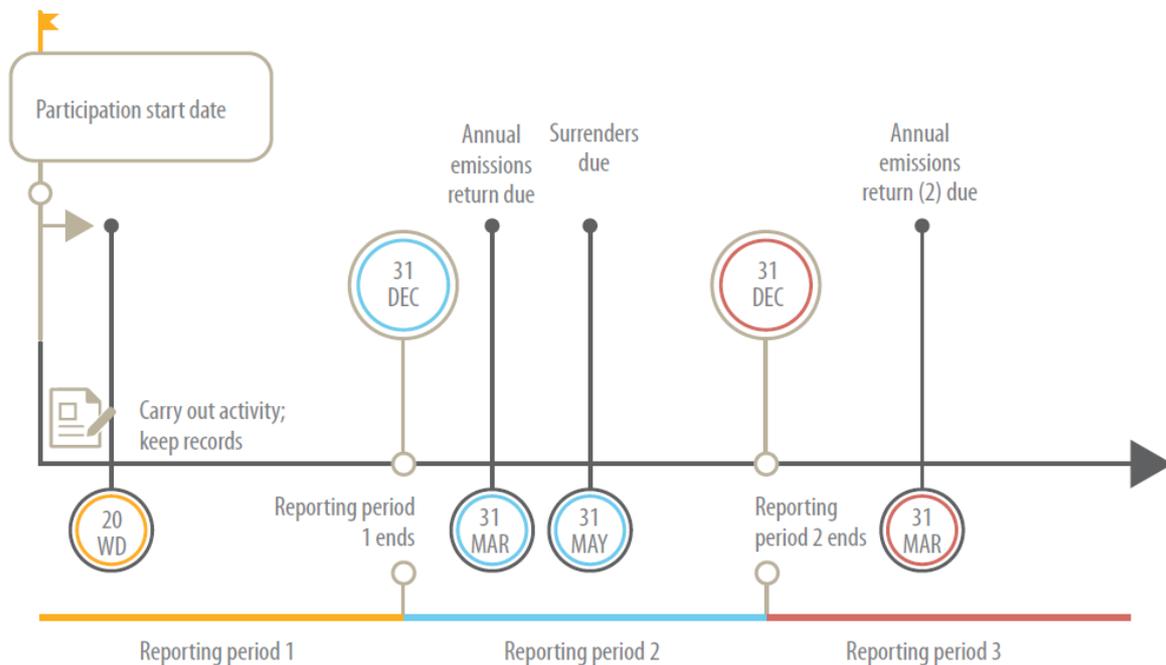
You can find information about registering as a user and setting up accounts and Account Holders in our 'Getting Started' and 'Managing your Accounts' guides.

Key points:

- You need to use the online Register to notify us. The Register will also make it easy for you meet the other requirements of the ETS.
- You complete the application online; however, you may need to print the final declaration for the Account Holder(s) to sign if they are not all users of the Register.
- The participant name is the full legal name of the Account Holder(s); the participant name and legal name must be the same. The Account Holder(s) is responsible for authorising the application.
- Participants must notify the EPA through the Register within 20 working days from the activity start date.

Participant obligations summary

What you need to do every year:



File an emissions return

You have to file an emissions return every year by 31 March. It must cover all your activity in the previous calendar year.

Surrender or receive units

After you file your emissions return, the Register will calculate how many units you must surrender, or if you are due to receive units. If you must surrender units, you must do this by 31 May each year.

Participant obligations in more detail

Report your emissions

As a participant in the ETS, you are required to report your greenhouse gas emissions every year. This is similar to the self-assessment system provided for under tax legislation.

Every year you must complete an emissions return by 31 March for ETS activities carried out in the previous calendar year (1 Jan – 31 Dec). See the timeline on the previous page, where the emissions return (2) is due for reporting period 2.

If you carry out any of the greenhouse gas removal activities set out in Part 2 of Schedule 4 of the Act, you need to report this activity in the same way, but can choose to report quarterly or annually.

Reporting emissions

The Account Holder must authorise one or more ETS Reporters to prepare and/or approve the emissions return in the Register. Account Holders can take on this role themselves, or appoint others to manage this obligation. ETS Reporters and Account Holders can find records about their activity, past returns, and emissions reporting in the left-hand menu by selecting 'ETS Activities'.



It is recommended that you verify your emissions data before you submit your emissions return. You may do this by designing and implementing a quality management system, which includes internal peer review. You may want to have your emissions data verified by a third party.

Default emissions factor (DEF)

The default emissions factor(s) for each activity is set out in the Climate Change Regulations. The emissions return form automatically incorporates the default emissions factor(s) for your activity or activities, and calculates your total emissions and surrender obligation.

Unique emissions factor (UEF)

Some activities are eligible to use a unique emissions factor. See the Climate Change (Unique Emissions Factors) Regulations 2009 for more information on unique emissions factors and the activities which are eligible to apply for one.

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Surrender units

As a participant, you may be required to surrender units each year, by 31 May.

The number of units you need to surrender is determined by the information you submit in your emissions return. Units are not automatically taken from your account; you must submit a surrender transaction in the Register to surrender units. A surrender can be fulfilled by one or more surrender transactions.

Surrender units

The Account Holder can authorise one or more Account Operators to operate the account. Account Holders can take on this role themselves, or appoint others. The Account Operator receives notices about the account, and prepares and approves transactions including surrenders.

Once you have submitted your emissions return, the Register will calculate how many units you need to surrender. This will create a 'surrender task' for the Account Operator. This will appear under the "tasks" section in the Register. To make the surrender transaction, the Account Operator opens this task, confirms the details, and submits. Alternatively, you can access 'Prepare transaction' from the left hand menu, and select 'Surrender' as the transaction type.

Fixed-Price Surrender

You can satisfy your obligation to surrender units by paying a sum of \$25 for each unit that you need to surrender into a Crown bank account. You can initiate this by selecting 'Prepare transaction' in the left-hand menu.

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Prepare transaction

Prepare transaction

* indicates mandatory field

Select the transaction type from the dropdown list:

Transaction type: *

Instruction: *

Receiving an entitlement

If you are a participant who carries out an activity that removes carbon from the atmosphere, you may earn units (receive an entitlement) for carrying out the removal activity. We calculate how many units you earn using the information you submit in your emissions return.

You must submit your emissions return, and it must be approved, before you receive your units.

Keep records

You are legally required to keep information about the emissions or removals from your activities, and any emission units you have surrendered, for at least seven years from the end of the calendar year to which they relate. This is so that any data you submit can be verified by the EPA, if required. See section 67 of the Act for more information.



The Climate Change Regulations for your activity set out the information you need to collect and record.

Below are examples of the types of records you should keep.

Type of information	Examples
Information on any greenhouse gas-producing (or greenhouse gas-removing) activities you carried out	<ul style="list-style-type: none"> • Any documents identifying the activities you have carried out • Invoices and sales receipts • Assumptions you made and uncertainties you had in counting and measuring your raw data (for example, how you rounded off carcass weight numbers) • Supplier contracts, agreements and reports
Any emissions and/or removals that resulted from your activities	Documents that show the sources of raw data
Any other required information, as per the Climate Change Regulations	Documents that support your calculations
Miscellaneous	<ul style="list-style-type: none"> • Documents that record activities undertaken by internal and independent parties that verify your data • Evidence of internal control processes, including peer review and record-keeping • Customs documents • Any assumptions you make or uncertainties you have in measuring your raw data (for example, how you round off numbers)

Notifications and communications

You can find the communications section in the left-hand menu for each Account Holder.

The EPA will send formal communications about activities and emission returns to the communications page. We'll send more generic information about accounts and reminders by email or in our newsletters.

You should make sure your contact details are always up-to-date so you receive these essential updates and notifications. This is particularly important you are an Account Operator.

If you need to update your contact details, make sure you do this both in the Register and with RealMe. These log-ins are separate, so updating your information in one will not update the other.

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Compliance and enforcement

The EPA is responsible for ensuring compliance with the New Zealand Emissions Trading Scheme (ETS). This is an important role, because the environmental integrity of the scheme relies on all those involved meeting their obligations. Our assurance framework is designed to give those who follow the rules confidence that others are paying their fair share. It also helps our customers improve their processes and ensures those who earn units receive their fair share.

The self-assessment nature of the ETS is supported by extensive legislated enforcement powers. These include financial penalties, make-good provisions and civil and criminal actions.

For more information on our compliance approach, read the following guidance: [Compliance](#)

For more information on participant obligations and offences, read the following guidance: [Obligations and offences](#)