



Environmental
Protection Authority
Te Mana Rauhi Taiao

CLIMATE CHANGE RESPONSE ACT 2002

2011 Report

for the period 25 June 2011 to 20 June 2012, under section 89 and section 222E of the
Climate Change Response Act 2002



Introduction

The Environmental Protection Authority (EPA) publishes the following information in accordance with sections 89 and 222E of the Climate Change Response Act 2002 (the "Act").

All reported information:

- is current to 21 June 2012 5 am New Zealand Standard Time (NZST) and in respect to the 2011 calendar reporting year unless otherwise stated
- represents actual unit transfers recorded in the New Zealand Emission Unit Register, and
- is based on current requirements of the Act

Activities covered in this year's report are:

- Stationary Energy, Industrial Processes and Liquid Fossil Fuel sectors
- Waste, Synthetic Greenhouse Gas and Agricultural sectors
- Those deforesting land that was planted prior to 1990
- Those growing forests that were planted after 1989, and
- Receivers of a forestry, industrial or fishing allocation.

The forestry sector has been in the NZ ETS since 2008. The Stationary Energy, Industrial Processes and Liquid Fossil Fuel sectors had their first full year of emissions obligations in 2011. The Waste, Synthetic Greenhouse Gas and Agricultural sectors had to register this year (2012) but complete data will not be available for these sectors' emissions until next year's report.

This report excludes Negotiated Greenhouse Agreements (NGAs), Projects to Reduce Emissions (PRE) and the Permanent Forest Sink Initiative (PFSI).

The Minister's Directions for NGAs, PRE and PFSI are published on the NZEUR website, and detail the actual number of emission units transferred:

https://app.eur.govt.nz/eats/nz/index.cfm?fuseaction=approval_log.direction&clearfuseattribs=true

The Ministry for the Environment publish the number of emission units available to PRE participants through their contracts (however, not the actual number of emission units transferred) on the PRE webpage:

www.mfe.govt.nz/issues/climate/policies-initiatives/projects/table-of-current-successful-pre-projects.html

The Ministry for the Environment publishes the total number of units allocated to PRE and PFSI in their annual net position report that projects New Zealand's greenhouse gas emissions over the first commitment period of the Kyoto Protocol (2008-2012). The latest report (31 March 2012) is available at:

www.mfe.govt.nz/issues/climate/greenhouse-gas-emissions/net-position/index.html

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Schedule 3 mandatory activities under section 89(1)(a)

Table 1 Schedule 3 mandatory activities

The table below shows the total number of mandatory participants registered under section 56 or removed from the register under section 59 of the Act:

Sector	Activity	From 01 January 2008 to 20 June 2012		Total number of participants registered as at 20 June 2012
		Total number of participants registered	Total number of participants removed	
Part 1 Forestry	Deforesting Pre-1990 Forest Land	21	(10)	11
Part 2 Liquid Fossil Fuels	Owning Obligation Fuel	5	-	5
Part 3 Stationary Energy	Importing Coal	3	-	3
	Mining Coal	22	(2)	20
	Importing Natural Gas	2	-	2
	Mining Natural Gas	46	(4)	42
	Using Geothermal Fluid	10	-	10
	Combusting used or waste oil, tyres or waste	5	(1)	4
Part 4 Industrial Processes	Producing Iron or Steel	2	-	2
	Producing Aluminium	1	-	1
	Producing Clinker or Burnt Lime	6	-	6
	Producing Glass	2	-	2
	Importing sulphur hexafluoride, including sulphur hexafluoride in goods	4	-	4
	Importing hydrofluorocarbons or perfluorocarbons	52	-	52
Part 5 Agriculture	Importing or manufacturing synthetic fertilisers containing nitrogen	10	-	10
	Slaughtering ruminant	34	-	34

	animals, pigs, horses, or poultry			
	Dairy processing of milk or colostrums	20	-	20
	Producing eggs	10	-	10
	Exporting from New Zealand live cattle, sheep or pigs	8	-	8
Part 6 Waste	Operating a disposal facility	40	-	40
Total participants registered or removed (Schedule 3 Activities)		303	(17)	286

The information in this table is correct as at 5 am New Zealand Standard Time (NZST), 21 June 2012. This table covers the period between 1 January 2008 and 20 June 2012 and shows cumulative figures.

The table above does not include activities where no participants have been registered or removed.

For up-to-date information on participants registered in the New Zealand Emissions Trading Scheme, visit the New Zealand Emission Unit Register (NZEUR) website (www.eur.govt.nz).

Mandatory participants are removed from the Register on receipt of a notification from the participant, or on the determination of the EPA that they no longer carry out the activity. In the case of deforesting pre-1990 forest land, participants are removed once they have fully met their emissions liability.

Schedule 4 voluntary activities under section 89(1)(b)

Table 2 Schedule 4 voluntary activities

The table below shows the total number of voluntary participants registered under section 57 or removed from the register under sections 58(4) and 59 of the Act:

Sector	Activity	From 01 January 2008 to 20 June 2012		Total number of participants registered as at 20 June 2012
		Total number of participants registered	Total number of participants removed	
Part 1 Forestry Removal Activities	Owning Post-1989 Forest Land	2,186	(29)	2,157
Part 1 Forestry Removal Activities	Holder Post-1989 Forestry Right	80	(1)	79
Part 1 Forestry Removal Activities	Holder Post-1989 Forestry Lease	18	-	18
Part 2 Other Removal Activities	Producing a product with embedded substances	1	-	1
Part 3 Liquid Fossil Fuels	Purchasing Obligation Jet Fuel	4	-	4
Part 4 Stationary Energy	Purchasing Natural Gas	3	-	3
Part 4 Stationary Energy	Purchasing Coal	2	-	2
Total participants registered or removed (Schedule 4 Activities)		2,294	(30)	2,264

The information in this table is correct as at 5 am NZST, 21 June 2012. This table covers the period between 1 January 2008 and 20 June 2012 and shows cumulative figures.

The table above does not include activities where no participants have been registered or removed.

For up-to-date information on participants registered in the New Zealand Emissions Trading Scheme, visit the NZEUR website (www.eur.govt.nz). The registration for voluntary activities Part 3 and 4 takes effect 12 months from the date of the notification received by the EPA.

Schedule 4 participants are removed from the Register when they apply to withdraw their participation in the scheme and on receipt of a notification from them, or on the determination of the EPA that they no longer carry out the activity.

Activities reported under section 89(1)(c)

Table 3 Activities reported

The table below shows the types of activities reported in emissions returns. There were 27 activities reported in the emissions returns and they are recorded below. This table is a snapshot of activities in the Emissions Trading Scheme as of 5 am NZST, 21 June 2012.

	Sector	Activity
Schedule 3	Part 1 Forestry	Deforesting Pre-1990 Forest Land
	Part 2 Liquid fossil fuels	Owning Obligation Fuel
	Part 3 Stationary energy	Importing Coal
		Mining Coal
		Importing Natural Gas
		Mining Natural Gas
		Using Geothermal Fluid
		Combusting used or waste oil, tyres or waste
	Part 4 Industrial Processes	Producing Iron or Steel
		Producing Aluminium
		Producing Clinker or Burnt Lime
		Producing Glass
		Importing sulphur hexafluoride, including sulphur hexafluoride in goods
		Importing hydrofluorocarbons or perfluorocarbons
	Part 5 Agriculture	Importing or manufacturing synthetic fertilisers containing nitrogen
		Slaughtering ruminant animals, pigs, horses, or poultry
		Dairy processing of milk or colostrums
		Producing eggs
		Exporting from New Zealand live cattle, sheep or pigs
	Part 6 Waste	Operating a disposal facility
Schedule 4	Part 1 Forestry Removal Activities	Owning Post-1989 Forest Land
		Holder Post-1989 Forestry Lease
		Holder Post-1989 Forestry Lease
	Part 2 Other	Producing a Product with Embedded Substances

Removal Activities	
Part 3 Liquid Fossil Fuels	Purchasing Obligation Jet Fuel
Part 4 Stationary Energy	Purchasing Natural Gas
	Purchasing Coal

Total emissions and removals under section 89(1)(d)

Table 4 Total emissions and removals

The table below shows the total quantity of emissions and removals reported to the EPA in emissions returns received between 25 June 2011 and 20 June 2012:

Total quantity of emissions reported in emissions returns	Total quantity of removals reported in emissions returns
31,803,198 tonnes of CO ₂ -e	14,920,144 tonnes of CO ₂ -e

Refer to Schedules 3 and 4 of the Act for the full descriptions of the activities.

A breakdown of the total emissions and removals and the associated reporting periods can be found in the tables 5, 6 and 7 of this document.

The information in this table is correct as at 5 am NZST, 21 June 2012. However, it may change as a result of amendments to emission returns.

This table covers emissions returns received between 25 June 2011 and 20 June 2012. In general this covers:

- Emissions during the 2011 calendar year for all sectors,
- Removals between 1 January 2008 and 31 December 2011 for the Forestry Removals sector, and
- Removals between 1 April 2011 and 31 March 2012 for the Other Removals Activity sector.

However, the emissions or removal activity may have taken place at other times and recorded this year as part of a late return or amendment.

This table excludes emissions reported from participants who are registered for synthetic greenhouse gases, waste and agriculture activities. These participants had the option of voluntarily reporting their emissions from the 2011 reporting year to help them familiarise themselves with the operation of the New Zealand Emissions Trading Scheme. The (partial) emissions record for these three sectors total 6,439,298 tonnes of CO₂-e.

Total emissions by activity under section 89(1)(e)

Table 5 Total emissions and removals by activity

This table shows the total quantity of emissions and removals reported in emissions returns by activity.

	Sector	Activity	Emissions reported to the EPA from 25 June 2011 to 20 June 2012 (tonnes CO ₂ -e emissions)
Schedule 3 - Emissions	Part 1 Forestry	Deforesting Pre-1990 Forest Land	231,512
	Part 2 Liquid Fossil Fuels	Owning Obligation Fuel	15,460,099
	Part 3 Stationary Energy	Importing Coal	157,335
		Mining Coal	3,149,535
		Importing Natural Gas	29,264
		Mining Natural Gas	7,216,717
		Using Geothermal Fluid	748,707
		Combusting used or waste oil, tyres or waste	47,202
	Part 4 Industrial Processes	Producing Iron or Steel	75,206
		Producing Aluminium	601,370
		Producing Clinker or Burnt Lime	659,185
Producing Glass		14,926	
Sub-total Schedule 3 - Emissions			28,391,058
Schedule 4 - Emissions	Part 3 Liquid Fossil Fuels	Purchasing Obligation Jet Fuel	529,154
	Part 4 Stationary Energy	Purchasing Natural Gas	2,059,464
		Purchasing Coal	823,521
	Sub-total Schedule 4 - Emissions		
Total tonnes of CO₂-e emissions			31,803,198

The information in this table is correct as at 5 am NZST, 21 June 2012. However, it may change as a result of amendments to emission returns.

This table covers emissions returns received between 25 June 2011 and 20 June 2012. In general this covers emissions during the 2011 calendar year for all sectors. However, the emissions activity may have taken place at other times and recorded this year as part of a late return or amendment.

For the period 1 July to 31 December 2012, participants carrying out activities relating to liquid fossil fuels, stationary energy and industrial processes are liable to surrender one unit for each two whole tonnes of emissions from these activities.

This table excludes emissions reported from participants who are registered for synthetic greenhouse gases, waste and agriculture activities. These participants had the option of voluntarily reporting their emissions from the 2011 reporting year to help them familiarise themselves with the operation of the New Zealand Emissions Trading Scheme. The total emissions reported between 25 June 2011 and 20 June 2012 for these activities was 6,439,298 tonnes of CO₂-e.

Total removals by activity under section 89(1)(e)

Table 6 Forestry removal activities

The table shows the total quantity of removals reported to the EPA between 25 June 2011 and 20 June 2012 in emissions returns by activity:

	Sector	Activity	Emissions reporting period	Tonnes of CO₂-e removed
Schedule 4 – Forestry removals	Part 1 forestry removal activities	Forestry removal activities	1 January – 31 December 2008	68
	Part 1 forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2009	35,674
	Part 1 forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2010	107,678
	Part 1 forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2011	10,180,963
	Part 1 forestry removal activities	Forestry removal activities	1 January 2009 – 31 December 2009	490
	Part 1 forestry removal activities	Forestry removal activities	1 January 2010 – 31 December 2010	19,073
	Part 1 forestry removal activities	Forestry removal activities	1 January 2010 – 31 December 2011	164,291
	Part 1 forestry removal activities	Forestry removal activities	1 January 2011 – 31 December 2011	3,312,742
Total tonnes of CO₂-e removed (forestry)				13,820,979

The information in this table is correct as at 5 am NZST, 21 June 2012. This table covers the emissions returns received by the Ministry for Primary Industries and processed by the EPA between 25 June 2011 and 20 June 2012. In general, this covers removals between 1 January 2008 and 31 December 2011 for the Forestry Removals sector.

Forestry participants are entitled to one unit per tonne removed and can choose to report over one, three or five year periods. They must also file a mandatory return at the end of the first commitment period under the Kyoto Protocol (31 December 2012).

Total removals by activity under section 89(1)(e) (cont'd)

Table 7 Other removal activities

Sector	Activity	Emissions reported to the EPA between 25 June 2011 to 20 June 2012 (tonnes of CO₂e removed)
Part 2 Other removal activities	Producing a product with embedded substances	1,099,165
Total tonnes of CO₂-e removed		

The information in this table is correct as at 5 am NZST, 21 June 2012.

Other Removal Activities participants are entitled to receive one New Zealand Unit for each two whole tonnes of removals for the period 1 July 2010 to 31 December 2012. This covers activity between 1 April 2011 and 31 March 2012.

Compliance with obligations under section 89(1)(f)

Table 8 Compliance with obligations

The table below shows the total number of participants that were determined by the EPA to have failed to comply with their obligation to submit an emissions return or surrender or repay units between 25 June 2011 and 20 June 2012.

	Failure to submit emissions returns	Failure to surrender units	Failure to repay units
Number of participants	4	3	1

This relates to those participants who failed to file an emissions return or surrender or repay units by the specified due date.

Total units surrendered under section 89(1)(g)

Table 9 Units surrendered

The table below shows the total number of units surrendered for emissions:

Total number of units surrendered
16,381,479

The information in this table is correct as at 5 am NZST, 21 June 2012 and covers units surrendered to the EPA between 25 June 2011 and 20 June 2012.

For the period 1 July 2010 to 31 December 2012, participants carrying out activities relating to liquid fossil fuels, stationary energy and industrial processes are liable to surrender one unit for each two whole tonnes of emissions from these activities.

Total New Zealand units transferred for removal activities under section 89(1)(h)

Table 10 Total NZ units transferred for removal activities

The table below shows the total number of units transferred for removal activities:

Total number of New Zealand units transferred for removal activities
14,370,562

The information in this table is correct as at 5 am NZST, 21 June 2012 and covers units transferred to participants between 25 June 2011 and 20 June 2012.

For the period 1 July 2010 to 31 December 2012, participants are entitled to receive one New Zealand unit for each two whole tonnes of removals, in respect of carrying out other removal activities.

Total New Zealand units allocated under section 89(1)(i)

Table 11 NZ units allocated

The table below shows the total number of New Zealand units allocated under sub-part 2 less units repaid:

Units Allocated	
Total number of New Zealand units allocated	11,596,460
Less units repaid	(9,704)
Net number of New Zealand units allocated	11,586,756

The information in this table is correct as at 5 am NZST, 21 June 2012 and covers units transferred to eligible persons between 25 June 2011 and 20 June 2012.

- For the forestry and fishing sectors, there is a one-off allocation under the Forestry Allocation Plan and the Fishing Allocation Plan.
- For Industrial Allocation there are annual allocations, and the information above relates to allocations provided for the 2011 and/or 2012 period.

Payment of money to meet surrender obligations under section 222E(2)(a) and (b)

Table 12 Payment of money to meet surrender obligations

The table below shows the total sum of money paid to Crown bank account or paid by the EPA:

As at 21 June 2012	
Total sum of money paid to a Crown bank account instead of surrender of units to cover emissions	\$2,527,125
Total sum of money paid by the EPA instead of reimbursing units	-

The information in this table is correct as at 5 am NZST, 21 June 2012 and covers payments made between 25 June 2011 and 20 June 2012. The Act allows participants to meet their emissions surrender obligations through the payment of money, or a combination of the payment of money and the surrender of units. A participant may satisfy their obligation to surrender units by paying a sum of \$25 for each unit they are liable to surrender into a Crown bank account.