



7 June 2016

BP Oil New Zealand Ltd  
Watercare House  
73 Remuera Rd  
Newmarket 1050  
  
PO Box 99873  
Newmarket 1149  
0800 800 027

Energy Markets Policy  
Energy and Resource Markets  
Ministry of Business Innovation and Employment  
PO Box 1473  
WELLINGTON, 6140  
Email: [energymarkets@mbie.govt.nz](mailto:energymarkets@mbie.govt.nz)

Submission: 'Options for expanding the purpose of existing energy levies'

1. BP Oil New Zealand (hereafter referred to as "BP") welcomes the opportunity to provide the Ministry of Business, Innovation and Employment with a submission on the 'Options for expanding the purpose of existing energy levies' paper.
2. BP agrees with and supports the objective of this proposal aimed at funding a wider range of activities that encourage, promote and support energy efficiency, energy conservation and the use of renewable sources of energy.
3. To ensure that the objectives of the proposal are met at the lowest possible cost, BP believes that equal weight should be shown to 'administrative simplicity/transparency', 'causer or beneficiary pays' and 'rationality' criteria.
4. Given there is a mechanism in place with the existing electricity levy, BP notes that the least administratively complex and potentially most wide-reaching option is that of option one.
5. BP agrees with options paper point 54 that, in line with the 'beneficiary pays' principle, electricity consumers would benefit from measures that encourage switching to renewables-based fuel. BP also agrees that there may also be some benefit for electricity retailers if any activities to encourage the use of renewable energy increase the total use of electricity (e.g. the accelerated and widespread uptake of electric vehicles).
6. BP also acknowledges, however, that the objective of the proposal is to fund of a wider range of activities that encourage, promote and support energy efficiency, energy conservation and the use of renewable sources of energy.
7. If option one is selected, the scope of levy funding would need to be expanded beyond just the electricity sector to truly deliver against the objectives of the proposal, potentially increasing administrative complexity.
8. BP therefore believes that the most balanced option that meets the objectives of the proposal is that of option two.

9. As ethanol and biofuels are almost always used in combination with hydrocarbon fuels, BP believes that option two effectively balances 'causer pays' and 'rationality' criteria whilst delivering a level of administrative simplicity and transparency.

On behalf of BP Oil New Zealand Limited, I thank you for the opportunity to provide this submission.

BP would welcome further opportunity to discuss the information outlined above. Please direct any further correspondence to:-

Shelley Brady  
Communications and External Affairs Manager  
021 715 986  
[shelley.brady@se1.bp.com](mailto:shelley.brady@se1.bp.com)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Knipping', with a stylized flourish at the end.

Peter Knipping  
Finance Manager  
Company Director  
**BP Oil New Zealand Ltd**