

Reply form

Name:	Ewan Gebbie
Email address:	ewan.gebbie@emanz.org.nz
Organisation:	Energy Management Association of New Zealand
Please identify your sector:	Energy Services Sector
What are your views on the objective of this proposal? Do you agree or disagree with it? Why?	New Zealand needs to do more to achieve its Paris Agreement targets and to keep up with its international competitors in energy productivity. Those who cause the emissions should be those that contribute to resolving the problem. Both the transport and gas sector's are major contributors to the problem and need to pull their weight in contributing to New Zealand's journey to a more productive low carbon future (as should the agricultural sector but that is not under discussion here).
What do you think is the appropriate balance between 'administrative simplicity/transparency' and the 'causer or beneficiary pays' and 'rationality' criteria? Should more weight be given to one over the others?	As long as the public process of fund allocation is transparent, those observers of the process should appreciate that the value being sought is being achieved with contributions from the appropriate sector. There will inevitably be a mix and sharing of contributions, for example in funding a shift to electric vehicles, the electricity sector (beneficiary) and transport sector (causer) should contribute. It will not be possible to perfectly allocate, but the intent to allocate on the basis of causer and beneficiary is the important thing, and over time methods of application of these principles will improve.
Which option do you think provides the best balance?	Selection of option 3a should ensure a causer, or "polluter" pays approach is most likely to be achieved.
What is your preferred option?	Option 3a because there are significant efficiency gains to be made in the gas sector that currently have barriers as well as in transport and electricity.

<p>Why do you consider this the best option?</p>	<p>The barriers and opportunities to shift to a low carbon future in transport are well documented. Less well documented are the barriers and opportunities in the gas sector. Electricity can be an enabler of a low carbon, more productive future and a good example of that is in heat and heat pump technology, and the emerging electricity storage sector.</p> <p>To provide a snapshot practitioners perspective of the opportunities to improve gas efficiency, gas metering in New Zealand is years out of step with other OECD and IEA countries such as the UK where ultrasonic (non invasive and therefore low cost to install) time of use gas meters are being installed right down to residential level. Gas consumption in New Zealand's commercial buildings still predominantly rely on ex post monthly manual invoices, significantly stifling any form of active energy management of gas.</p> <p>The recent EMANZ Wellington Public Library case study on the opportunities to improve energy use through real time metering should provide some insight into the potential in the gas sector from moving to improved metering.</p>
<p>Of the options you do not prefer, what issues or reasons do you think are most important for us to consider?</p>	<p>The existing levy was of its time and was always a single step on a journey. The gas sector had little to no governance at the time, and electric vehicles were a pipe dream. The status quo is the least preferred option, as is the removal of the electricity levy altogether.</p> <p>There is no perfect public funding models for energy efficiency, or many other beneficial public goods, but the ultimate objective should be that we have a private sector that can deliver on these outcomes. Getting there is the real challenge.</p>

<p>Are there other options for providing transparency in the use of levy money (besides requiring annual consultation and reporting)?</p>	<p>The current approaches to ensure transparency are sufficient, as are Treasury's processes requiring activity based costing. It can be difficult in practice to clearly link the costs (funding) to the benefits from levy expenditure to specific areas to any degree of perfection.</p> <p>There would be strong merit in ensuring the rationality and purpose of any levy funding are more clearly articulated and more widely understood. MBIE need to develop a stronger process for ensuring accountability for levy expenditure while also taking a broader view of the benefits that accrue from the expenditure. The health benefits from the insulation programme are a great example of how New Zealand can improve its overall welfare by leveraging off a business case for energy savings.</p>
---	--