

6 August 2024

██████████
CCUS team
Ministry of Business, Innovation and Employment
PO Box 1473
WELLINGTON 6140

Sent via email: gasfuelpolicy@mbie.govt.nz

Dear ██████████

Proposals for a regulatory regime for CCUS

1. This is a submission from the Major Electricity Users' Group (MEUG) on the Ministry of Business, Innovation and Employment's (MBIE / Ministry) consultation document "*Proposals for a Regulatory Regime for Carbon Capture, Utilisation and Storage*"¹ published for consultation in June 2024.
2. MEUG members have been consulted on the approach to this submission. Members may lodge separate submissions. This submission does not contain any confidential information and can be published on the Ministry's website unaltered.

Support proposal to introduce regulatory regime

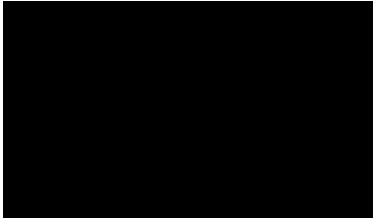
3. MEUG supports the government's proposal to introduce a regulatory regime to specifically oversee carbon capture, utilisation and storage (CCUS) in New Zealand. CCUS offers New Zealand another tool to help reduce emissions, in our journey towards net zero emissions by 2050. We support this option being available to New Zealand participants.
4. We support the objectives that MBIE has put forward for its proposed approach – efficient emissions abatement, environmental integrity and energy security. In particular, we support the government's acknowledgment of the importance of security of gas supply. As the consultation paper states, "*natural gas will be a key energy source during our transition to a low emissions economy*". It plays a key role in firming New Zealand's intermittent renewable generation sources such as wind and solar and has much lower emissions than either coal or diesel.
5. MEUG believes CCUS, with appropriate regulatory controls, is a valid mechanism to promote gas sector investment, leading to a reversal in the current sharp decline in gas production.

¹ <https://www.mbie.govt.nz/dmsdocument/28611-proposals-for-a-regulatory-regime-for-carbon-capture-utilisation-and-storage>

Next steps

6. If you have any questions regarding our submission, please contact MEUG on [REDACTED] or via email at [REDACTED]

Yours sincerely



Karen Boyes
Major Electricity Users' Group