

Greenpeace New Zealand
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Energy Markets
Ministry of Business, Innovation, and Employment
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Greenpeace submission to the consultation on Process Heat in New Zealand

Greenpeace supports efforts to urgently and significantly reduce greenhouse gas emissions from New Zealand's process heat sector as part of our national response to the current climate change emergency.

We support the submission put forward by Coal Action Network Aotearoa and add to it a brief summary of our position below.

The climate change emergency

Climate change is an existential threat, posing grave danger to our health, homes, communities, food security, culture and livelihoods, as well as the wildlife and wild places with which we share this Earth.

Climate change is an injustice that disproportionately affects our neighbours and kin in the Pacific, developing nations, indigenous people, people of colour, women and poorer working people. These are also the people who are least responsible for causing this crisis.

But the steps we take to address this threat also provide us with opportunities to move towards a more just and equal society, to boost innovation and employment, create more resilient communities, improve our health, and live in better balance with nature.

The most recent research by the Intergovernmental Panel on Climate Change (IPCC) confirms that we must limit the world's temperature increase to 1.5 degrees if we are to avoid the impacts of catastrophic climate change, and that the agreed global threshold of 2 degrees is not enough. Furthermore, it outlines that achieving this life-saving target requires us to reduce global emissions by half by 2030.ⁱ

A recent study in the science journal, *Nature*, says we have a 64 per cent chance of meeting the 1.5 degrees target, but it means we cannot build any new fossil fuel infrastructure, starting now.ⁱⁱ Furthermore, existing fossil fuel infrastructure will need to be dismantled at the end of its lifetime.

This has clear policy implications for the process heat sector, including:

- 1) **A ban on new fossil fuel infrastructure:** It is inconsistent with the latest science to consent to any new process heat infrastructure that uses fossil fuels such as coal, gas or oil. Legislation is required to prevent new fossil fuel infrastructure from being constructed as voluntary agreements have proven insufficient. For example,

Fonterra has stated that they will continue to allow the construction of new coal boilers until 2030.ⁱⁱⁱ

- 2) **Closing down existing fossil fuel infrastructure at the end of its economic life:** Government must put in place regulation to ensure that existing fossil fuel-based process heat infrastructure is replaced at the end of its life with plants powered by clean, renewable energy. As we have seen in the case of Huntly power station's coal-fired Rankine units, a decision to retire this infrastructure at the end of its lifetime (in 2018) was overturned for commercial reasons. The units will now continue to burn coal until 2030.
- 3) **Carbon prices should be raised to incentivise a switch from fossil fuels to renewable energy:** We support Coal Action Network Aotearoa's call for "a mandatory carbon price of at least \$50/tonne, raised at regular and pre-announced intervals to reach \$100 within a couple of years."
- 4) **Gas is not a 'transition fuel' and should not be used to substitute for coal:** Coal-fired infrastructure should be replaced with clean, renewable energy, not fossil gas. When fossil gas is combusted, CO₂ is still produced in relatively large quantities. Both globally and at the New Zealand level, gas cannot deliver the deep cuts in emissions that will be required to stay below 2°C, let alone 1.5°C.^{iv}
- 5) **Hydrogen used in process heat should be produced using clean, renewable electricity, not fossil gas.**

ⁱ IPCC (2018) Intergovernmental Panel on Climate Change, Special Report <https://www.ipcc.ch/sr15>

ⁱⁱ Smith, Christopher J., et al. "Current fossil fuel infrastructure does not yet commit us to 1.5° C warming." *Nature communications* 10.1 (2019): 101.

ⁱⁱⁱ Fonterra (2017) "Fonterra partners with government on roadmap to low emissions future." <https://www.fonterra.com/nz/en/our-stories/media/fonterra-partners-with-government-on-roadmap-to-low-emissions-future.html>

^{iv} Prof. Ralph Sims (2018) "What's the point of looking for more gas?" Pure Advantage. <https://pureadvantage.org/news/2018/03/09/whats-the-point-of-looking-for-more-gas/>