

**Submission:**

**Process Heat in New Zealand: Opportunities and barriers to lowering emissions**

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We need a strong commitment to halt all investment in fossil fuels and fossil fuel infrastructure (including natural gas).

In regard to Q4: “Does the NZ ETS provide an incentive to significantly reduce emissions beyond current levels for business who receive industrial allocation?”, the clear answer is no.

We need a rapidly rising carbon price – I would recommend a starting level of \$50/tonne, raised by \$50/tonne at six-monthly intervals until it reaches \$500/tonne. Some studies suggest even this level may be inadequate to bring the necessary speed in emissions reductions – if this is the case, this price may need to be raised further. This should be accompanied by distributive measures to ensure both fairness and public acceptance of this carbon price.

In addition, legislation should require the closure of all fossil fuel powered heat plant by 2030 (and replacement with renewable energy).