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Submission to Process Heat in NZ, opportunities and barriers to lowering emissions.

The main importance is to stop any new investment in fossil fuel plant. The limited efficiencies gained by Fonterra in their existing plants are more than outweighed by the building of new plant in the dairy industry, running on coal or gas. All new plant should be renewably fuelled, or we are just wasting our time.

There needs to be a mandatory carbon price of at least \$50/tonne, raised at regular and pre-announced intervals to reach \$100 within a couple of years, to drive the urgent and significant emissions reductions that must be made.

Legislative and regulatory changes need to be in place to ensure that, as existing heat plant reaches the end of its economic life, it is replaced by heat plant that is not fuelled by fossil fuels, but is powered from renewable energy sources.

Measures should also be put in place to ensure that existing fossil fuel powered heat plant is not run beyond the end of its economic life in an effort to avoid replacing fossil fuel energy sources by renewable sources.

Where existing fossil-fuel powered heat plant has an economic life that extends past 2030, the Government should put in place legislative and economic measures to ensure that this plant is replaced by heat plant that is powered by renewable energy sources.

If hydrogen is used as an energy source for process heat, it must be generated by renewable means, not derived from fossil fuels

Replacing one form of fossil fuel energy source with another is completely unacceptable. In particular, the idea that natural gas is a “transition fuel” away from coal is nonsense. Fossil fuels should be replaced by renewables, not other fossil fuels.