New Zealand Institute of Forestry (NZIF)

Te Pūtahi Ngāherehere o Aotearoa Inc.

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Ministry for the Environment
PO Box 10362
Wellington 6143

By email to emissionstrading@climatechange.govt.nz

SUBMISSION ON THE CLIMATE CHANGE (STATIONARY ENERGY AND INDUSTRIAL PROCESSES) REGULATIONS 2009

This submission is made by the New Zealand Institute of Forestry – Te Putahi Ngaherehere o Aotearoa Incorporated ("NZIF"). Contact details for this submission are:

Submitter:	New Zealand Institute of Forestry - Te Putahi Ngaherehere o Aotearoa Incorporated
Address:	New Zealand Institute of Forestry PO Box 19-840 CHRISTCHURCH
Submitted by:	Andrew McEwen President
Contacts:	Andrew McEwen NZIF President am.mcewen@xtra.co.nz Ph: (04) 476 6163

Introduction

1. The New Zealand Institute of Forestry (NZIF) thanks the Ministry for the opportunity to make a submission on the draft Climate Change (Stationary Energy and Industrial Processes) Regulations 2009.

2. The NZIF is the organisation for the professionals in forestry. It was founded in 1927 and currently has over 830 members, whose qualifications and areas of expertise reflect the diversity of disciplines involved in managing a modern forest resource from traditional forestry degrees through economics, law, micro-biology, hydrology, engineering and resource management. Around 80 members have passed the more stringent requirements for registration, which is recognised as the cornerstone of professionalism within forestry. NZIF members include consultants, those working

within companies, scientific and educational institutions and government, those with an interest in forestry and students.

3. NZIF is committed to serving the practice of forestry and the wider community through education, accountability and its code of ethics and performance standards. Increasingly it fulfils a quality assurance role, setting the benchmark for professionalism and the quality of advice and practice by which members and others in the profession are measured. Sustainable management is now recognised as the key to conserving the world's natural forests and the expertise of NZIF members in sustainable management of plantation and indigenous forests is widely respected.

NZIF Position on Climate Change Control/Mitigation

4. The position that the NZIF has consistently taken with respect to climate change is that:

4.1 The most significant cause of anthropogenic green house gas emissions is the use of fossil fuels. It follows that to control climate change we need to reduce the use of such fuels;

4.2 Forests can assist in the mitigation of climate change. As they grow, trees extract carbon from the atmosphere and store it in woody material. It follows that the more trees there are, the more atmospheric carbon will have been locked up;

4.3 Because trees recycle atmospheric green house gases (taking it from the atmosphere as they grow and returning it to the atmosphere as they decay or are burnt), wood is preferable to fossil fuels as an energy source. It follows that in order to displace the use of fossil fuels from our economy we should do everything reasonable to maximise the proportion of our energy needs that is met from bioenergy, including bioenergy from forests;

4.4 Encouraging the use of forest bioenergy and other forest products will enhance the value of forestry as an investment, in turn leading to the establishment of more forests and more atmospheric carbon being stored in the trees, therefore adding to the climate change mitigation activities of forests;

4.5 Forests are also widely recognised as providing a wide range of other benefits to society in the form of controlling soil erosion, maintenance of water quality, providing reaction opportunities, increasing biodiversity, enhancing landscapes, etc.

Submission - Combustion of biomass

5. The Emissions Trading Bulletin No 10, June 2009 which provides a commentary for the draft regulations, states that "*CO_2 emissions from combusting biomass are not counted in these regulations as they are effectively covered under the forestry regulations*". However, users of biomass combusted for energy are deemed liable for the N_2O and CH_4 generated in the combustion process, on a CO_2 equivalent basis. This appears confusing and inconsistent and needs to be rectified.

6. The NZIF position is that the combustion of wood and wood waste should not incur any emissions liability, either under the forestry regulations or the stationary energy and industrial processes regulations, irrespective of any emission of N_2O and methane for the following reasons:

6.1 Combustion of wood processing residue is an environmentally superior alternative to fossil fuel use. The motivation behind the draft regulations, and New Zealand's

climate change legislation as a whole, is to incentivise a shift away from greenhouse gas intensive activities. MfE's Emissions Trading Bulletin No 10 recognises the need to ensure that there is no disincentive for the efficient use of wood residue as an alternative to fossil fuels. We would argue that the imposition of an emissions liability on the combustion of biomass will act as an unnecessary disincentive to anyone contemplating using biomass for energy.

6.2 The estimated contribution of biomass combustion to total greenhouse gas emissions for energy in New Zealand in 2007 was 0.3%[1]. In 2007, the energy sector made up 43% of New Zealand's total greenhouse gas emissions[2], so combustion of biomass constituted around 1% of total emissions across all sectors. It is seems very inefficient to require measurement and recording of combustion for the purposes of calculating emissions liability, when the emissions represent such an insignificant proportion of total emissions and when set against the advantage, if not necessity, of increasing the use of bioenergy as a percentage of total energy use.

6.3 We are not aware of any other country imposing a liability on the combustion of biomass. The proposed Australian Carbon Pollution Reduction Scheme obligations will not apply to emissions from combustion of biomass for energy; instead they will be zero rated.[3] Given that Prime Minister John Key has said as recently as May 2009 that his Government will work to ensure that its climate change policies are "as closely aligned with Australia as practically possible",[4] it is appropriate that the draft regulations should exempt combustion of biomass from emissions liability, including the cost of reporting.

6.4 Our understanding is that the processes leading to the generation of methane and N2O during biofuel combustion are not well understood. It is reasonable to assume however that they have always been a consequence of the use of biofuel, and that technology allowing their elimination is not readily or cost effectively available. To that extent, the methane and N_2O emissions associated with biofuel compare with emissions of the same gasses from the agricultural sector which are exempt any obligation in the absence of any practicable control and because of the desirability of food production at reasonable cost.

Recommendation

7. The NZIF recommends that the combustion of wood for energy be excluded from the definition of combustion of waste for the purposes of the regulations, or alternatively that the combustion of wood and wood waste be assigned a default emissions factor of zero.

[1] "Energy CO_2 Equivalent Emissions by Fuel Type (kt CO_2 equivalent)", Table 2.1a *"New Zealand Energy Greenhouse Gas Emissions 1990-2007"*, Ministry of Economic Development.

[2] **"**New Zealand's Sectoral Emissions of Greenhouse Gases in 1990 and 2007", Table 2.3.1 *"New Zealand's Greenhouse Gas Inventory 1990-2007"*, Ministry for the Environment.

[3] Carbon Pollution Reduction Scheme White Paper, Policy Position 6.14.

[4] "Australia's delay on emissions strikes chord with Beehive" New Zealand Herald (8 May 2009).