

13th July 2009

Emissions Trading Team
Ministry for the Environment
P O Box 10362
Wellington 6143

By email to emissionstrading@climatechange.govt.nz

Dear Sir/Madam

Climate Change (Stationary Energy and Industrial Processes)
Regulations 2009 and Climate Change (Unique Emissions Factors)
Regulations 2009 Drafts for Consultation

Norske Skog Tasman is a large industrial paper mill located at Kawerau in the Bay of Plenty. Norske Skog bought the original integrated kraft pulp and paper mill from Fletcher Challenge Paper in 2000, and sold the kraft pulp mill to Carter Holt Harvey in 2001 – retaining mechanical pulping and paper making assets.

The original Tasman Pulp and Paper mill was built in the early 1950's and has utilised geothermal steam for process heat and electricity generation for most of the mill's history. Around 2 million tonnes of geothermal steam is used each year.

This submission relates to the geothermal steam emissions in the two sets of regulations noted above.

We do not understand how the regulations for unique emissions factors are intended to be applied over time. The regulations appear to allow for an application to be made to the chief executive (note that there is no definition of this term in the Unique Emissions Factor Regulations) to replace the default emissions factor with a factor based on scientific measurements. But this appears to be a one-off event and it is not clear that the chief executive wishes to deal with ongoing requests for revisions to unique emission factors based on subsequent testing results. Emissions from geothermal wells can vary significantly over time, and high emitting wells can be shut down and replaced with low emitting wells (or vice versa). The unique emissions factors need to be adjusted at any time to account for variations in emissions, and the regulations need to plainly allow for this.

The emissions factor in Table 5, Schedule 2, part A of the SEIP Regulations for Kawerau I industrial use of 0.1024 is about 4 times higher than it should be. We understand that Ngati Tuwharetoa Geothermal Assets will supply MFE with accurate test data and calculations. We would also like to append this information to this submission when it becomes available (hopefully next week).

The emissions factor at Ngawha appears to have been used to set the default emissions factor. We wish to point out that if the Ngawha emissions factor is actually correct, then the emissions from this power station would be getting on to double those at the Huntly Power station – which seems rather unlikely. Thus we conclude that the emissions factor at Ngawha is a gross outlier and should simply be disregarded for the purposes of establishing a default emissions factor.

There appears to be a typographical error on page 15 of the unique emissions regulations. The first sentence of clause (2) should read “...who wishes **to** claim an adjustment...”

There is a spelling mistake on page 51 of the SEIP regulations. Wairakei should have an **i** after the first **a**.

If you require any further information about anything in this submission please contact the undersigned.

Yours sincerely,

Graeme Everett
Energy Manager
Ph: 07 323 3708 or 021 223 2952
email: graeme.everett@norskeskog.com