

# Overview of New Zealand Emissions Unit Register

Friday, 4 April 2008

# Agenda

- What is NZEUR
- International Transaction Log
- Commitment period reserve
- Demonstration of Registry
- Questions

# What is NZEUR?

- A fully *electronic* register for the purpose of recording New Zealand's initial assigned amount (Kyoto liability) which will track holdings of and transactions of Kyoto units.
- Contains information on crown, individuals and companies holding accounts.
- Provides the facility to transfer units between parties, both at home and internationally.
- Communicates with the International Transaction Log.
- Provides the functionality for New Zealand to return its initial assigned amount to the UN, as per the Kyoto Protocol.

# International transaction log

- A UN administered registry to facilitate the international transfer of Kyoto units by two registries.
- ITL reviews transactions proposed by initiating registries against the rules agreed under the Kyoto Protocol before passing on to acquiring registry for acceptance. i.e those transactions that affect NZ's Kyoto units available for meeting its commitment under para 1, Article 3.
- Transactions occur in real time, subject to there being no discrepancies.
- ITL will send messages to the initiating Registry as to the status of transactions.

# International Transaction Log (cont'd)

- Discrepancies may arise from:
  - The technical checks performed,
  - Data exchange standards
  - Data integrity checks
- Transaction specific checks:
  - Eligible to participate in the transactions, e.g. Long term CERs not allowed.
  - Transaction does not cause a breach of Commitment Period Reserve

## Internal transactions

- Internal transfer transactions between two holding accounts within the Registry are not subject to ITL.

# Commitment period reserve

- Under the Kyoto protocol, each national registry is required to hold a minimum number of Kyoto Units at all times. This is the commitment period reserve (CPR).
- This is calculated as follows:
  - Lower of either 90% of its initial assigned amount or
  - 100% of its Annex A emissions in its most recently reviewed inventory, multiplied by 5.
- For New Zealand, the CPR level has been set at 278,608,260 being 90% of NZ's initial assigned amount of 309,564,733
- Prevents Parties from “overselling” units and subsequently being unable to meet their emission targets.
- External transfer of units will be prevented if the transaction results in the Registry dropping below this CPR level.
- Market information as to the Registries current overall Kyoto unit position in relation to the CPR level is currently being considered.

# Demonstration of Registry

- **Getting started**
  - You must first register as a user. This gives you a log-on access to the Registry.
- **Opening holding accounts**
  - Before you request to open a holding account you must ensure that the eligibility criteria is met as set out in the Climate Change (Unit Register) Regulations 2007 – Regulation 6(1), 6(2)
- **Account Holder Representatives**
  - These are persons who are authorised to operate the holding account.
- **Account Holder Declaration Form**
  - This completed declaration must be received by the Registrar before an account can be processed for approval

# Demonstration of Registry (cont'd)

- Once the Registrar has approved your holding account, you will be able to:
  - Hold units
  - Transfer of units between holding accounts within the Registry
  - Transfer units to another Registry
  - Receive units from another Registry
- Transferring/receiving units will require you to obtain/give the account holder number to the other party to the transaction.

Questions?