



The New Zealand Emissions Trading Scheme

NZ ETS reporting requirements for synthetic greenhouse gases sector activities

December 2011, Auckland





Workshop objective

Inform and support you in developing internal processes necessary to comply with your statutory registration and reporting obligations



Workshop agenda

1. Agency Roles
2. Overview of SGG activities in the NZ ETS
3. How to register and when
4. Reporting requirements
5. Data retention and enforcement
6. Wrap up and Questions.



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Agency Roles

Environmental Protection Authority (EPA)

- Administration of the NZETS
- Emission Unit Register

www.eur.govt.nz

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Ministry for the Environment

- Overall responsibility of the Climate Change Response Act 2002
- Development of climate change and NZ ETS policy.
- Operational policy

www.mfe.govt.nz



Ministry for the
Environment
Manatū Mō Te Taiao



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Who has to report emissions?

- Persons who import synthetic greenhouse gases (SGGs) either in bulk or in pre-charged equipment into NZ
- Persons who manufacture SGGs in NZ
- Required to track and report emissions and eventually surrender New Zealand Units (NZUs) to match
- Must register
- There are some minimum thresholds and exemptions



Who can receive units?

- Persons who export SGGs in bulk or in pre-charged equipment
- Persons who destroy SGGs
- To receive NZUs:
 - Must meet any prescribed threshold
 - Must be eligible
 - Must have registered



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What is exempted?

- i. Aircraft and ships undertaking international journeys
- ii. Goods imported by a person for their personal, domestic, non-business use
- iii. Manufactured product containing gas solely due to use in manufacturing process (e.g. insulation foam)
- iv. Motor vehicles, ships and planes (up to 100 t CO₂-e in a year)
- v. Any imports of the 245fa/365mfe mixture
- vi. Goods temporarily (less than 6 months) in NZ or not unloaded
- vii. Medical uses (e.g. asthma inhalers)...

See clause 15 of General Exemptions Order Amendment



What is the Emission Unit Register?

A fully *electronic* register of units

- The NZEUR records and holds units and unit transactions
- It contains the emissions reporting tool and allows participants to meet obligations under the NZ ETS
- Is used by mandatory participants (SE, IP, LFF) to report and surrender

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Overview of the process

Steps	Description
Step 1	Register as a user
Step 2	Open a Holding Account
Step 3	Register as a Participant within the timeframe*
Step 4	File an emissions return (by 31 March the following year)
Step 5	Surrender units (by 31 May the following year)**

*Notice must be given within 20 working days of becoming a participant. For those aware on 1 January 2012 (based on previous year's data) this date is **31 January 2012**.

**First surrender date is 31 May 2014 for the 2013 calendar year.



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Step 1: Register as a user

You must have access to the Registry to apply to open a holding account.

You can Register as a user at www.eur.govt.nz (obtain user name and password).

New Users

- 1 Get a [username](#) and password.
Join Now ▶
[Why Join?](#)
- 2 Get an account after logging on and making account holder declarations
- 3 [Register as a Participant](#) in the ETS, or [apply for an allocation](#)

[Guides and Help](#)

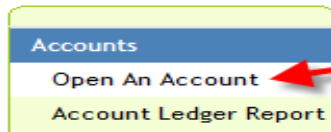
The Registry will confirm that the user request has been approved.



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Step 2: Opening a holding account

- Log in as a registered user and go to 'open an account'



Accounts

This page displays a summary of accounts in the NZEUR.

To see or maintain the details of an account, click on its **Number** in the grid

- Complete your on-line application form by following the prompts. You will be asked during this process whether you want to nominate representatives. You can nominate up to 5 people to operate the account as a representative.
- You will then receive an Account Holder Declaration Form from the Registry
- Your holding account will not be opened until you have completed and submitted your Account Holder Declaration Form. Once your account has been opened the Registry will notify you.



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Step 3: Register as a participant

- By filling in the participant registration form. The form is available under “Forms and Guides” at www.eur.govt.nz.
- The participant registration form asks for specific information. This includes:
 - Who is the participant? This should be the same legal name as Step 2
 - What activities are they carrying out?
 - Who will be responsible for preparing and approving the emissions returns? These people are called Emissions Reporters.
- The form must be signed by the people authorised to do so (i.e Director in the case of a Company).
- We will notify you once you have been registered on the participant register. The participant register is publicly available.



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A note on unincorporated bodies and consolidated groups

Before registering as participant consider ...

- Do you jointly carry out any activities with one or more other persons?
([section 157](#))
- Do you carry out any activities as a member of a Group?
([section 150\(1\)](#))
- Do you wish to be treated as a member of a consolidated group?
([section 150\(3\)](#))



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Step 4: Collect data and file an Emissions Return

Filling data in the return

- Emissions reporters assigned
- Use the excel calculators for the activity, or your own method to calculate your emissions totals
- Log on to NZEUR and click on Emissions Reporting
- Enter data in the return



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Emissions Returns

This page displays a summary of the participant(s)/consolidated group(s) and reporting period(s) for which you can prepare and submit an emissions return.

Use the button in the **Action** column to start, edit or view a return. To view an emissions return that has previously been submitted to MED, click on the **View Submitted Returns** button.

Return ID	Participant/Cons. Group	Reporting Period	Return Type	Action	Status
	ABC Imports Limited	01 Jan 2011 - 31 Dec 2011	Self	Start Return	Not Started

[View Submitted Returns](#)

This emissions return has been prescribed by the Chief Executive of the Ministry of Economic Development under Section 90(1)(a) of the Climate Change Response Act 2002.

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<http://www.eat.eur.govt.nz>

info@nzeur.govt.nz

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Emissions Return ER-1945-2011

Participant:	ABC Imports Limited	Status:	Draft
Holding Account:	NZ-1945	Type:	Self
Return Period:	1 Jan 2011 - 31 Dec 2011 (Voluntary Reporting Period)		
Prepared By:	22 Feb 2012 11:37:10 by J-L ER, Preparer D		
Reviewed/Approved By:			

Activity	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	Action
Schedule 3 - Industrial Processes Part 4 Subpart 2 - Importing sulphur hexafluoride, including sulphur hexafluoride in goods	Data incomplete	+ Report Data
Total Emissions:	Data incomplete	
Obligation Amount:	Data incomplete	

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There are no emissions surrender obligations for the reporting periods (2011-2012). Surrender obligations begin from 2013 only. The emissions obligation is 1 emission unit per 1 tonne emitted.

Total and obligation figures are calculated internally with more precision than is shown here. Therefore activity emissions may not appear to sum exactly.

This emissions return has been prescribed by the Chief Executive of the Ministry of Economic Development under Section 90(1)(a) of the Climate Change Response Act 2002.



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Emissions Return ER-1945-2011

Participant: ABC Imports Limited **Status:** Draft
Holding Account: NZ-1945 **Type:** Self
ETS Activity: Schedule 3 - Industrial Processes - Part 4 Subpart 2 - Importing sulphur hexafluoride, including sulphur hexafluoride in goods
Return Period: 01 Jan 2011 - 31 Dec 2011 (Voluntary Reporting Period)
Prepared By: 16 Mar 2012 13:48:23 by J-L ER, Preparer D
Reviewed/Approved By:

As per regulations, the following formula will be used for the activity to calculate the total emissions

$$TE = E_{BULK} + E_{PRECHARGED}$$

If you do not need to report data for a particular category, use the N/A button(s).

If you want to remove previously entered information for a particular category, use the Delete button(s)

Enter emissions data for each category.

Category	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	Action	Delete?
Importing bulk sulphur hexafluoride (E _{BULK})	23,900	Edit	Delete
Importing sulphur hexafluoride in pre-charged equipment (E _{PRE-CHARGED})	<input type="text"/>	N/A	
Total Emissions tonnes	Data incomplete		

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Save Data



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Emissions Return ER-1945-2011

Participant: ABC Imports Limited **Status:** Draft
Holding Account: NZ-1945 **Type:** Self
Return Period: 1 Jan 2011 - 31 Dec 2011 (Voluntary Reporting Period)
Prepared By: 22 Feb 2012 11:37:10 by J-L ER, Preparer D
Reviewed/Approved By:

Activity	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	Action	Delete?
Schedule 3 - Industrial Processes Part 4 Subpart 2 - Importing sulphur hexafluoride, including sulphur hexafluoride in goods	41,681	<input type="button" value="Edit"/>	<input type="button" value="Delete"/>
Total Emissions:	41,681		
Obligation Amount:	N/A		

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There are no emissions surrender obligations for the reporting periods (2011-2012). Surrender obligations begin from 2013 only. The emissions obligation is 1 emission unit per 1 tonne emitted.

Total and obligation figures are calculated internally with more precision than is shown here. Therefore activity emissions may not appear to sum exactly.

This emissions return has been prescribed by the Chief Executive of the Ministry of Economic Development under Section 90(1)(a) of the Climate Change Response Act 2002.



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Example of Importing Sulphur Hexafluoride Calculator (data input worksheet)

Importing Sulphur Hexafluoride SF ₆		No 2011	
Voluntary Reporting Period - 1 January 2011 to 31 December			
Step 1 - E _{Bulk}	0.00	the sum of emissions from sulphur hexafluoride imported in bulk as calculated under regulation 44D	
Step 2 - E _{Pre-charged}	0.00	the sum of emissions imported in pre-charged equipment as calculated under regulation 44F	
TE	0.00	the total emissions from the activity of importing sulphur hexafluoride	
Fill in the highlighted grids below and the totals will be populated in the grid above.			
Step 1 - Emissions from importing bulk sulphur hexafluoride			
Formula:	$E = A \times GWP / 1,000$		
where—			
E	is the emissions in tonnes for sulphur hexafluoride imported in bulk		
A	is the total number of kilograms of sulphur hexafluoride imported in bulk by the person in the year as recorded under regulation 44C		
GWP	is the the GWP figure for sulphur hexafluoride in table 1 of Schedule 2A		
	A	GWP	E
Imported Sulphur Hexafluoride	0.00	23,900	0.00
Total emissions from importing bulk SF₆ (E_{Bulk})			0.00
Step 2 - Emissions from importing sulphur hexafluoride in pre-charged equipment			
Formula:	$E = \Sigma (A \times B \times GWP / 1,000,000)$		



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Emissions Return ER-1945-2011

Participant: Hydrofluorocarbon Imports Limited Status: Draft
 Holding Account: NZ-1945 Type: Self

Return Period: 1 Jan 2011 - 31 Dec 2011 (Voluntary Reporting Period)
 Prepared By: 22 Feb 2012 11:37:10 by J-L ER, Preparer D
 Reviewed/Approved By:

Activity	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	Action
Schedule 3 - Industrial Processes Part 4 Subpart 2 - Importing Hydro fluorocarbons or per fluorocarbons	Data incomplete	+ Report Data
Total Emissions:	Data incomplete	
Obligation Amount:	Data incomplete	

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There are no emissions surrender obligations for the voluntary reporting period (2011) or the mandatory reporting period (2012). Surrender obligations begin from 2013. The emissions obligation is 1 emission unit per 1 tonnes emitted.

Total and obligation figures are calculated internally with more precision than is shown here. Therefore activity emissions may not appear to sum exactly.

This emissions return has been prescribed by the Chief Executive of the Ministry of Economic Development under Section 90(1)(a) of the Climate Change Response Act 2002.



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Emissions Return ER-1495-2011

Participant: Hydrofluorocarbon Imports Limited **Status:** Draft
Holding Account: NZ-1945 **Type:** Self
ETS Activity: Schedule 3 - Industrial Processes Part 4 Subpart 2 - Importing Hydro fluorocarbons or per fluorocarbons
Return Period: 01 Jan 2011 - 31 Dec 2011 (Voluntary Reporting Period)
Prepared By: 18 Mar 2011 12:29:58 by ER, Preparer H
Reviewed/Approved By:

As per regulations, the following formula will be used for this activity to calculate the total emissions in tonnes:

$$TE = E_{BULK} + E_{PRE-CHARGED} + E_{MOTOR VEHICLES}$$

If you do not need to report data for a particular category, use the N/A button(s).

If you want to remove previously entered information for a particular category, use the Delete button(s).

The first 100 tonnes of emissions from motor vehicles imported by a person in the year is exempt.

If using the excel template for calculating emissions from importing hydro fluorocarbons or per fluorocarbons, use the values in the totals boxes of the template as the data to enter in the boxes on this page.

Enter emissions data for each category.

	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	
Hydro fluorocarbons or per fluorocarbons imported in bulk in the year (E _{BULK})	<input type="text"/>		
Hydro fluorocarbons or per fluorocarbons imported in pre-charged equipment in the year (E _{PRE-CHARGED})	<input type="text"/>		
	Emissions (tonnes) 1 Jan 2011-31 Dec 2011	Exemption (tonnes)	Emissions (tonnes) 1 Jan 2011-31 Dec 2011
Hydro fluorocarbons or per fluorocarbons imported in any refrigeration, air conditioning, or other system integrated into or powered imported by motor vehicles (other than excluded goods) in the year (E _{MOTOR VEHICLES})	<input type="text"/>	-100	
Total Emissions tonnes		Data incomplete	

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Calculate

Clear Data

Save Data



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Example showing part of the data entry page for Importing Hydro fluorocarbons and Per fluorocarbons Calculator

Importing hydro fluorocarbons or per fluorocarbons		Nov-11
Voluntary Reporting Period - 1 January 2011 to 31 December 2011		
Step 1 - E _{Bulk}	425.174	the sum of emissions from importing bulk hydro fluorocarbons or per fluorocarbons as calculated under regulation 44J
Step 2 - E _{Pre-charged}	0.000	the sum of emissions from each class of hydro fluorocarbons or per fluorocarbons imported in pre-charged equipment as calculated under regulation 44L
Step 3 - E _{Motor vehicles}	0.000	the sum of emissions from each class of hydro fluorocarbons or per fluorocarbons for motor vehicles imported as determined under regulation 44N
TE	425.17	the total emissions for the activity of importing hydro fluorocarbons or per fluorocarbons
Fill in the highlighted grids below and the totals will be populated in the grid above.		
Step 1 - Emissions from importing bulk hydro fluorocarbons or per fluorocarbons		
Formula:	E = A × GWP/1000	
where—		
E	is the emissions in tonnes for the class of hydro fluorocarbons or per fluorocarbons imported in bulk in the year, as recorded under regulation 44I(b)	
A	is the total number of kilograms of class of hydro fluorocarbons or per fluorocarbons imported in bulk by the person in the year as recorded under regulation 44I(b)	
GWP	is, for a class of hydro fluorocarbons or per fluorocarbons— (a) listed in the first column of table 2 of Schedule 2A, the GWP figure for the class specified in the right-hand column of the table; and (b) not listed in table 2 of Schedule 2A and that contains more than 1 hydro fluorocarbon or per fluorocarbon, the GWP figure determined under regulation 44R; and (c) that contains a single hydro fluorocarbon or per fluorocarbon, the GWP figure for the hydro fluorocarbon or per fluorocarbon in table 1 of Schedule 2A.	
Step 1A - E	0.000	emissions in tonnes for class of hydro fluorocarbon or per fluorocarbon listed in the first column of table 2 of Schedule 2A
Step 1B - E	425.174	emissions in tonnes for class of hydro fluorocarbon or per fluorocarbon not listed in the first column of table 2 of Schedule 2A that contains more than 1 hydro fluorocarbon or per fluorocarbon as determined under regulation 44R
Step1C - E	0.000	emissions in tonnes for class of hydro fluorocarbon or per fluorocarbon that contains a single hydro fluorocarbon or per fluorocarbon listed in table 1 of Schedule 2A
Step 1 E_{Bulk}	425.17	the sum of emissions from importing bulk hydro fluorocarbons or per fluorocarbons as calculated under regulation 44J



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Step 4: Collect data and file an Emissions Return



Mandatory registration by 31 January 2012

Emissions returns for 2012 due by 31 March 2013

Step 5: Surrender Units

- First period for surrendering units for SGGs is 2013 (calendar) year
- First surrender by 31 May 2014

31.5.2014



Reporting requirements: overview

- Collect and record data during the year
- Calculate emissions
- File an electronic emissions return
- Surrender emission units
- Retain records for 7 years



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Basic approach

- Reporting upfront - attribute all emissions from SGG in the year it is imported or manufactured
- Potential emissions reported, not the actual emissions as they are emitted over time
- Reporting SGGs in bulk or in pre-charged equipment



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Basic approach – calculation

Emissions for any ETS activity are calculated as:

$$E = EF \times A$$

i.e. multiply an emissions factor by an activity

For SGGs emissions the activity (A) will be the kilograms (kg) or grams (g) of the gas imported or manufactured in the year.



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Bulk gas imports

Emissions for any bulk gas import activity are calculated as:

$$E = A \times \text{GWP}/1000$$

E	Emissions in tonnes CO ₂ -equivalent for the class of HFC or PFC imported in bulk
A	Weight (kg) of the class of gas imported in bulk
GWP	Global warming potential as listed in tables in Schedule or determined through regulation 44R



Pre-charged equipment imports

$$E = \sum(A \times B \times \text{GWP}/1,000,000)$$

E	Emissions in tonnes of CO ₂ -equivalent for the class of HFC or PFC imported in pre-charged equipment
A	Total number of units of the type of pre-charged equipment containing class of SGG
B	The charge (in grams) for the type of pre-charged equipment
GWP	Global warming potential of class of gas as listed in tables in Schedule or determined through regulation 44R



Class of gas

In relation to HFCs/PFCs, 'class' means:

- i. An ASHRAE designation and listed in the first column of table 2 of Schedule 2A, or
- ii. Another other mix that contains a HFC/PFC listed in table 1 of Schedule 2A, or
- iii. If it is not mixed with other constituents, the HFC or PFC as listed in table 1 of Schedule 2A



Determining global warming potential

- SF₆ from table 1 of Schedule 2A
- HFCs/PFCs:
 - For some common ASHRAE mixes: table 2 of Schedule 2A
 - For those mixes not listed in table 2 of the Schedule, calculated by the percentage by mass of the gas multiplied by the GWP (as listed in table 1)
 - For single gases: the GWP as listed in table 1 of Schedule 2A



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Examples

1) Person AB imported 35kg of SF₆ in the year:

$$E = A \times \text{GWP}/1000$$

$$\text{So } E = 35 \times 23900/1000 = 836$$

2) Person CD imported 2000kg of R134a in the year

$$E = 2000 \times 1300/1000 = 2600$$



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Examples

Person EF imported 2000 small appliances of type G, and 200 larger appliances of type H

$$E = \sum(A \times B \times \text{GWP}/1,000,000)$$

Type	Number of units (A)	Gas charge (B)	Class	GWP	Emissions
Type G	2000	80 grams	R404a	3260	521
Type H	200	1200 g	R134a	1300	312
Total					833



Motor vehicles – method options

Under SEIP regulation 44M, motor vehicle imports can

1. Use default charge method, or
2. Use actual charge method, or
3. Use a combination of the two

Reported emissions are the greater of total emissions less 100, or zero.



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Removals - eligibility

- Exporting SGGs – in bulk or in pre-charged equipment
- Destroy SGGs
=> eligible to receive NZUs
- Export activity has same calculation approaches to that of imports



Removals – constraints and exemptions

Sec 8 of removals regulations includes

- Re-exported SGG is ineligible if exempted on import (e.g. SGG contained in the AC system of a plane)
- SF₆ exported (bulk or in equipment) can only be eligible if it was imported after 1 January 2013
- Threshold for vehicles – 100 t CO₂-e or more in total in the year of export



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Other participant obligations

Self assessment model

- Retain data

Keep sufficient records (i.e. documents, data and records that support your calculations) to enable verification of your:

- activities
- resulting emissions or removals, or other information in an emissions return

Records must be kept for 7 years

- Penalties and Audit



What now?

- Open an holding account
- Register as a participant by 31 January 2012
- Establish processes to collect data on amount and composition for each class of SGG imported



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Questions?

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