

FACTSHEET: New Zealand Emissions Trading Scheme

Call for data from growers of cucumbers, fresh capsicums and fresh tomatoes

No 17, May 2010

What you need to know

Under the New Zealand Emissions Trading Scheme (NZ ETS), businesses producing cucumbers, fresh capsicums, or fresh tomatoes **may be eligible** to receive emission units from the Government free of charge. The purpose of these emission units is to help businesses with costs associated with the introduction of the scheme.

Data about businesses' emissions, production, and revenue is required in order to determine whether these activities will qualify for an allocation of emission units. The Government issued a Gazette notice on 30 April 2010 calling for businesses to provide this data within 65 working days (by 2 August 2010).

If the activities are deemed eligible for the allocation of emission units, **only businesses who have supplied data will be able to apply for an allocation.**

What you need to do

We need you to supply your business' data to the Ministry for the Environment by **2 August 2010**. The Ministry for the Environment will be holding the following workshops to help you with this process:

Regional workshop dates

WHEN	WHERE
17 May 9.30am–12.30pm	Nelson Rutherford Hotel, Trafalgar Square, Nelson
20 May 9.30am–12.30pm	Kumeu Kumeu Club, 250 State Highway 16, Kumeu, Auckland

21 May 9.15am–12.15pm	Christchurch PricewaterhouseCoopers, Level 12, 119 Armagh Street, Christchurch
26 May 9.30am–12.30pm	Napier PricewaterhouseCoopers, 36 Munroe Street, Napier
27 May 9.30am–12.30pm	Pukekohe Counties Function Centre, Pukekohe Park, 222–250 Manukau Road, Pukekohe
3 June 9.30am–12.30pm	Levin Levin Cosmopolitan Club, 47–51 Oxford Street South, Levin

Attendance, help and forms

If you wish to attend a workshop please email datasupport@mfe.govt.nz giving the location of the workshop you wish to attend.

Further assistance is also available for those who cannot attend workshops or who have more questions. To indicate an interest in this assistance, or for any other questions, please email datasupport@mfe.govt.nz.

Forms for submitting data, together with extra guidance and information, can be found on the Ministry for the Environment website at www.climatechange.govt.nz/emissions-trading-scheme/input-and-engagement/industrial-allocation/data-collection-documents.html



What is the New Zealand Emissions Trading Scheme?

The NZ ETS is a primary part of the Government's response to climate change. It is a market-based approach for reducing greenhouse gas emissions. Emission units – sometimes called 'carbon credits' – are traded between participants in the scheme. By introducing a price on greenhouse gas emissions, the scheme provides an incentive for people to reduce emissions.

The NZ ETS covers forestry, transport fuels, electricity production, industrial processes, synthetic gases, agriculture and waste. The entry dates of the various sectors are staged. The transport fuel, electricity production, and industrial process sectors all enter the scheme on 1 July 2010.

Businesses will be affected by the emissions trading scheme in different ways. Some will have a legal obligation to acquire and surrender emission units to the Government to cover their direct greenhouse gas emissions. These participants are generally 'upstream' operators – for example, transport fuel producers and importers, or coal miners or importers.

Businesses that grow cucumbers, fresh capsicums, and fresh tomatoes will not be required to surrender emission units to the Government. But, they may be affected by increased prices for fuel and electricity as a result of the NZ ETS.

What is industrial allocation?

The Government intends to give some emission units to businesses that are carrying out activities which are both emissions intensive and trade exposed through a process called 'industrial allocation'.

The aim of industrial allocation is to provide transitional assistance to the parts of the economy most heavily impacted by the NZ ETS. The value of the emission units allocated will help to offset cost increases that may result from the NZ ETS.

Industrial allocation will be provided on the basis of 'activities' rather than on the basis of businesses, facilities and sectors.

What is an eligible activity?

To be eligible, an activity must be:

- trade-exposed and
- emissions intensive.

An activity is considered **trade-exposed** if its output is able to be traded between countries. An activity is considered **emissions intensive** if it generates at least 800 tonnes of greenhouse gas emissions (in carbon dioxide equivalent) per NZ\$1 million revenue.

The Government released a consultation document in December 2009, *Development of industrial allocation regulations under the New Zealand Emissions Trading Scheme*. Submissions in response to this document indicated that producing cucumbers, fresh capsicums, and fresh tomatoes **may be** activities eligible for an allocation of emission units from the Government.

What happens now?

Businesses have until **2 August 2010** to respond to the calls for data on production of cucumbers, fresh capsicums, and fresh tomatoes. Any business carrying out one of these activities, as defined in a Gazette Notice, is required to provide financial, production and emissions data to the Ministry for the Environment.

The data provided will be used to determine whether the activities qualify for the allocation of emission units. Eligibility is based on the *average* emissions intensity across the industry, so it is important that all businesses submit data. Businesses that do not supply data will not be eligible to receive units.

The data must be calculated in accordance with the rules set out in the Gazette Notice, and relate only to the activity as defined in the Notice. Data must be collated and submitted in the appropriate data form, along with information about the bases of the data and a signed declaration.

All of the necessary forms and guidance are available on the Ministry for the Environment website at

www.climatechange.govt.nz/emissions-trading-scheme/input-and-engagement/industrial-allocation/data-collection-documents.html

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