



Environmental
Protection Authority
Te Mana Rauhi Taiao

CLIMATE CHANGE RESPONSE ACT 2002

2012 Report

for the period 1 July 2012 to 30 June 2013, under section 89 and section 178A of the Climate Change Response Act 2002



Introduction

The Environmental Protection Authority (EPA) publishes the following information in accordance with sections 89 and 178A as of the Climate Change Response Act 2002 (the Act).

All reported information:

- is current to 5 AM New Zealand Standard Time (NZST) 1 July 2013 and in respect to activities that were reported during the 2012-13 financial year (1 July 2012 to 30 June 2013).
- represents actual unit transfers recorded in the New Zealand Emission Unit Register (NZEUR), and
- is based on current requirements of the Act.

Activities covered in this year's report are:

- Stationary Energy, Industrial Processes, Liquid Fossil Fuels, Waste, Synthetic Greenhouse Gases (within the Industrial Processes sector) and Agricultural activities
- Those deforesting land that was first established in forest prior to 1990
- Those growing forests that were first established after 1989, and
- Recipients of forestry, industrial or fishing allocations.

The forestry sector has been in the New Zealand Emissions Trading Scheme (NZ ETS) since 2008. The Stationary Energy, Industrial Processes and Liquid Fossil Fuels sectors entered the NZ ETS in 2010, while Waste, Synthetic Greenhouse Gases and Agricultural activities concluded their first full year of mandatory emissions reporting in 2012.

This report excludes Negotiated Greenhouse Agreements (NGAs), Projects to Reduce Emissions (PRE) and the Permanent Forest Sink Initiative (PFSI).

The Minister's Directions for NGAs, PRE and PFSI are published on the NZEUR website, and detail the actual number of emission units transferred:

https://app.eur.govt.nz/eats/nz/index.cfm?fuseaction=approval_log.direction&clearfuseattrs=true

The Ministry for the Environment (MfE) publishes the number of emission units available to PRE participants through their contracts (however, not the actual number of emission units transferred) on the PRE webpage:

www.mfe.govt.nz/issues/climate/policies-initiatives/projects/table-of-current-successful-pre-projects.html

MfE publishes the total number of units allocated to PRE and PFSI in their annual net position report that projects New Zealand's greenhouse gas emissions over the first commitment period of the Kyoto Protocol (2008-2012). The latest report is available at: www.mfe.govt.nz/issues/climate/greenhouse-gas-emissions/net-position/index.html

Table of Contents

Introduction	2
Schedule 3 mandatory activities under section 89(1)(a)	4
Schedule 4 voluntary activities under section 89(1)(b)	7
Activities reported under section 89(1)(c).....	9
Total emissions and removals under section 89(1)(d)	11
Total emissions by activity under section 89(1)(e)	13
Total removals by activity under section 89(1)(e)	15
Compliance with obligations under section 89(1)(f)	17
Total units surrendered under section 89(1)(g).....	18
Total New Zealand units transferred for removal activities under section 89(1)(h)	18
Total New Zealand units allocated under section 89(1)(i)	19
Payment of money to meet surrender obligations under section 178A	19

Schedule 3 mandatory activities under section 89(1)(a)

Table 1 Schedule 3 mandatory activities

The table below shows the total number of mandatory participants registered under section 56 or removed from the Participant Register under section 59 of the Act during the period of 1 July 2012 to 30 June 2013.

Sector	Activity	Number of participants added	Number of participants removed	Total number of participants as at 30 June 2013
Part 1 Forestry	Deforesting pre-1990 forest land	66	3	74
Part 2 Liquid Fossil Fuels	Owning obligation fuel	-	-	5
Part 3 Stationary Energy	Importing coal	1	-	4
	Mining coal	-	-	20
	Importing natural gas	-	-	2
	Mining natural gas	1	-	43
	Using geothermal fluid	1	-	11
	Combusting used or waste oil, tyres or waste	-	-	4
Part 4 Industrial Processes	Producing iron or steel	-	-	2
	Producing aluminium	-	-	1
	Producing clinker or burnt lime	-	1	5
	Producing glass using soda ash	-	-	2
	Importing sulphur hexafluoride, including sulphur hexafluoride in goods	-	4	-

Sector	Activity	Number of participants added	Number of participants removed	Total number of participants as at 30 June 2013
	Operating electrical switchgear that uses sulphur hexafluoride	4	-	4
	Importing hydrofluorocarbons or perfluorocarbons	3	47	10
Part 5 Agriculture	Importing or manufacturing synthetic fertilisers containing nitrogen	2	-	12
	Slaughtering ruminant animals, pigs, horses, or poultry	20	13	42
	Dairy processing of milk or colostrum	4	11	14
	Producing eggs	-	10	-
	Exporting from New Zealand live cattle, sheep, or pigs	2	-	11
	Part 6 Waste	Operating a disposal facility		6
Total participants added or removed (Schedule 3 Activities)		104	95	300

The information in this table is correct as at 5 AM New Zealand Standard Time (NZST), 1 July 2013.

The table above does not include activities with no participants.

In previous section 89 reports, this table provided a snapshot of registration and deregistration throughout the lifetime of the NZ ETS. We have changed the table to reflect only those changes to activities that were notified during the reporting year (1 July 2012 – 30 June 2013).

For up-to-date information on participants registered in the NZ ETS, visit the NZEUR website:

www.eur.govt.nz.

The majority of the deregistrations from the activities of producing eggs, dairy processing of milk or colostrum, slaughtering ruminant animals, pigs, horses or poultry, importing hydrofluorocarbons or perfluorocarbons, and importing sulphur hexafluoride, including sulphur hexafluoride in goods are the result of changes to the definitions of or thresholds for these activities as set forth in the Climate Change Response

(Emissions Trading and Other Matters) Amendment Act 2012. The remainder are no longer undertaking the activity in question.

The registration for mandatory activities takes effect from the date the participant began the activity or when the activity entered the NZ ETS.

Mandatory participants are removed from the Register on receipt of a notification from the participant, or on the determination of the EPA that they no longer carry out the activity. In the case of deforesting pre-1990 forest land, participants are removed once they have completed the activity.

Schedule 4 voluntary activities under section 89(1)(b)

Table 2 Schedule 4 voluntary activities

The table below shows the total number of voluntary participants registered under section 57 or removed from the Participant Register under sections 58(4) and 59 of the Act.

Sector	Activity	Total number of participants added	Total number of participants removed	Total number of participants registered as at 30 June 2013
Part 1 Forestry Removal Activities	Owning post-1989 forest land	457	170	2,449
	Holder post-1989 forestry right	30	6	104
	Holder post-1989 forestry lease	6	11	14
Part 2 Other removal activities	Producing a product with embedded substances	-	-	1
	Exporting hydrofluorocarbons or perfluorocarbons	2	-	2
Part 3 Liquid Fossil Fuels	Purchasing obligation jet fuel	-	-	4
Part 4 Stationary Energy	Purchasing natural gas	-	-	3
	Purchasing coal	1	-	3
Total participants added or removed (Schedule 4 Activities)		496	187	2,580

The information in this table is correct as at 5 AM New Zealand Standard Time (NZST), 1 July 2013.

The table above does not include activities with no participants.

In previous section 89 reports, this table provided a snapshot of registration and deregistration throughout the lifetime of the NZ ETS. We have changed the table to reflect only changes to those activities that occurred during the reporting year (1 July 2012 – 30 June 2013).

For up-to-date information on participants registered in the NZ ETS, visit the NZEUR website:

www.eur.govt.nz.

The registration for voluntary activities under Part 3 and 4 takes effect 12 months from the date the EPA notifies the participant that they have been entered on the Participant Register.

Schedule 4 participants are removed from the Register when they apply to withdraw their participation in the scheme and on receipt of a notification from them, or on the determination of the EPA that they no longer carry out the activity. Deregistration for voluntary activities under Part 3 and 4 takes effect 48 months from the date of notification by the EPA to the participants that they have been removed.

Activities reported under section 89(1)(c)

Table 3 Activities reported

The table below shows the number and type of activities reported in emissions returns. There were 26 activities reported in emissions returns.

	Sector	Activity
Schedule 3	Part 1 Forestry	Deforesting pre-1990 forest land
	Part 2 Liquid fossil fuels	Owning obligation fuel
	Part 3 Stationary energy	Importing coal
		Mining coal
		Importing natural gas
		Mining natural gas
		Using geothermal fluid
		Combusting used or waste oil, tyres or waste
	Part 4 Industrial processes	Producing iron or steel
		Producing aluminium
		Producing clinker or burnt lime
		Producing glass
		Importing hydrofluorocarbons or perfluorocarbons
	Part 5 Agriculture	Importing or manufacturing synthetic fertilisers containing nitrogen
		Dairy processing of milk or colostrum
		Exporting from New Zealand live cattle, sheep, or pigs
		Slaughtering ruminant animals, pigs, horses, or poultry
	Part 6 Waste	Operating a disposal facility
Schedule 4	Part 1 Forestry removal activities	Owning post-1989 forest land
		Holder post-1989 forestry right
		Holder post-1989 forestry lease

Sector	Activity
Part 2 Other removal activities	Producing a product with embedded substances
	Exporting hydrofluorocarbons or perfluorocarbons
Part 3 Liquid fossil fuels	Purchasing obligation fuel
Part 4 Stationary energy	Purchasing natural gas
	Purchasing coal

This table is a snapshot of activities in the NZ ETS as of 5 AM NZST, 1 July 2013.

Refer to Schedules 3 and 4 of the Act and related regulations for the full descriptions of the activities.

Total emissions and removals under section 89(1)(d)

Table 4 Total emissions and removals

The table below shows the total quantity of emissions and removals reported in emissions returns submitted in the 2012-13 financial year (1 July 2012 to 30 June 2013).

Total quantity of emissions reported in emissions returns	Total quantity of removals reported in emissions returns
108,807,945.4 tonnes of CO ₂ e emissions	24,236,099.3 tonnes of CO ₂ e removed

A breakdown of the total emissions and removals and the associated reporting periods can be found in Tables 5, 6 and 7 of this document.

The information in this table is correct as at 5 AM NZST, 1 July 2013. However, it may change as a result of amendments to emissions returns.

This table covers emissions returns received between 1 July 2012 and 30 June 2013. This covers:

- Emissions reported for the 2012 calendar year for all activities in the NZ ETS
- Removals between 1 January 2008 and 31 December 2012 for the Forestry Removals sector, and
- Removals between 1 April 2012 and 31 March 2013 for Other Removals Activities.

Table 4.1 Total amended quantity of emissions reported in previous years

Previous years' emissions may have changed due to amendments to emissions returns. In addition, forestry emissions were excluded from the previous reports. The table below details the emissions reported in previous section 89 reports for each year and the amended figure.

Year	Total quantity of emissions previously reported	Total quantity of emissions after amendments and including forestry emissions	Change in emissions reported
2011	31,803,198	32,303,564	+ 500,366
2010	33,410,389	33,636,739	+ 226,350

All figures in the above table are in tonnes of CO₂e.

The information in this table is correct as at 5 AM NZST, 1 July 2013. However, it may change as a result of amendments to emissions returns.

The 2008 and 2009 section 89 reports did not report total emissions for those financial years. Only the forestry sectors participated in the NZ ETS in 2008 and 2009, with no emissions reported by those sectors.

The reported emissions in the 2010 and 2011 section 89 reports did not include emissions from post 1989 forestry removal activities. The updated figure not only includes these emissions reported to the EPA, but also includes amended emissions returns.

Table 4.1 relates only to activities with mandatory emissions reporting, and excludes those emissions reported from participants who voluntarily reported emissions for synthetic greenhouse gases, waste and agriculture activities. These participants had the option of voluntarily reporting their emissions to help them familiarise themselves with the operation of the NZ ETS.

Table 4.2 Total amended quantity of removals reported in previous years

Previous year's removals have changed due to amendments to emissions returns. The table below details the removals reported in previous section 89 reports for each year and the amended figure.

Year	Total quantity of removals previously reported	Total quantity of removals after amendments to emissions returns	Change in removals reported
2011	14,920,144	14,918,038	-2,106
2010	10,306,755	10,294,538	-12,217
2009	4,460,095	4,451,834	-8,261
2008	692,583	692,581	-2

The information in this table is correct as at 5 AM NZST, 1 July 2013. However, it may change as a result of amendments to emissions returns.

All figures in the above table are in tonnes of CO₂e.

This table covers removals reported by the Forestry Removals sector and Other Removals Activities sector for the 2008-2012 calendar years.

The figures relate to actual removals for each period reported.

Total emissions by activity under section 89(1)(e)

Table 5 Total emissions by activity

The table below shows the total quantity of forestry emissions reported in emissions returns by activity.

	Sector	Activity	Emissions reported to the EPA from 1 July 2012 to 30 June 2013 (tonnes CO ₂ e emissions)
Schedule 3 emissions	Part 1 Forestry	Deforesting pre-1990 forest land	8,169,263.0
	Part 2 Liquid fossil fuels	Owning obligation fuel	15,721,757.8
	Part 3 Stationary energy	Importing coal	263,610.9
		Mining coal	3,314,788.0
		Importing natural gas	53,874.9
		Mining natural gas	7,612,573.7
		Using geothermal fluid	748,470.5
		Combusting used or waste oil, tyres or waste	39,024.5
	Part 4 Industrial processes	Producing iron or steel	69,721.2
		Producing aluminium	561,786.1
		Producing clinker or burnt lime	692,555.5
		Producing glass	16,649.4
		Importing hydrofluorocarbons or perfluorocarbons	1,862,834.0
	Part 5 Agriculture	Importing or manufacturing synthetic fertilisers containing nitrogen	2,126,867.6
		Dairy processing of milk or colostrum	14,856,334.0
		Exporting from New Zealand live cattle, sheep, or pigs	88,780.8
		Slaughtering ruminant animals, pigs, horses, or poultry	34,326,228.3

Sector		Activity	Emissions reported to the EPA from 1 July 2012 to 30 June 2013 (tonnes CO ₂ e emissions)
	Part 6 Waste	Operating a disposal facility	2,760,486.3
Sub-total schedule 3 emissions			93,285,606.50
Schedule 4 emissions	Part 1 Forestry removal activities	Post-1989 forest land (Owning, holding a registered forestry right, or registered leaseholder of)	9,183,250
	Part 3 Liquid fossil fuels	Purchasing obligation jet fuel	522,099.3
	Part 4 Stationary Energy	Purchasing natural gas	2,409,129.3
		Purchasing coal	3,407,860.4
Sub-total schedule 4 emissions			15,522,339.0
Total tonnes of CO₂e emissions			108,807,945.5

The information in this table is correct as at 5 AM NZST, 1 July 2013. However, it may change as a result of amendments to emissions returns.

This table covers emissions returns received between 1 July 2012 and 30 June 2013. For non-forestry sectors this covers emissions during the 2012 calendar year for all sectors. For forestry activities (deforesting pre-1990 and post 1989 forestry), the emissions relate to the 2012-13 financial year (1 July 2012–30 June 2013).

Total removals by activity under section 89(1)(e)

Table 6 Forestry removal activities

The table below shows the total quantity of forestry removals reported in emissions returns by period.

	Sector	Activity	Emissions reporting period	Tonnes of CO ₂ e removed
Schedule 4 Forestry removals	Part 1 Forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2009	511
	Part 1 Forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2010	559
	Part 1 Forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2011	158,850
	Part 1 Forestry removal activities	Forestry removal activities	1 January 2008 – 31 March 2012	372,834
	Part 1 Forestry removal activities	Forestry removal activities	1 January 2008 – 18 April 2012	8,898
	Part 1 Forestry removal activities	Forestry removal activities	1 January 2008 – 31 December 2012	21,913,581
	Part 1 Forestry removal activities	Forestry removal activities	1 August 2008 – 31 December 2012	32,302
	Part 1 Forestry removal activities	Forestry removal activities	1 November 2008 – 31 December 2012	723
	Part 1 Forestry removal activities	Forestry removal activities	1 December 2008 – 31 December 2012	3,519
	Part 1 Forestry removal activities	Forestry removal activities	31 December 2008 – 31 December 2012	9,881
	Part 1 Forestry removal activities	Forestry removal activities	1 January 2010 – 31 December 2010	408

Sector	Activity	Emissions reporting period	Tonnes of CO ₂ e removed
Part 1 Forestry removal activities	Forestry removal activities	1 January 2010 – 31 December 2011	7,445
Part 1 Forestry removal activities	Forestry removal activities	1 January 2010 – 31 December 2012	2,467
Part 1 Forestry removal activities	Forestry removal activities	24 December 2010 – 31 December 2012	541
Part 1 Forestry removal activities	Forestry removal activities	1 January 2011 – 31 December 2011	1,304
Part 1 Forestry removal activities	Forestry removal activities	1 January 2011 – 31 December 2012	1,090
Part 1 Forestry removal activities	Forestry removal activities	1 June 2011 – 31 December 2012	1,770
Part 1 Forestry removal activities	Forestry removal activities	31 December 2011 – 31 December 2012	1,193
Part 1 Forestry removal activities	Forestry removal activities	1 January 2012 – 31 December 2012	8,007
Part 1 Forestry removal activities	Forestry removal activities	5 January 2012 – 31 December 2012	106
Part 1 Forestry removal activities	Forestry removal activities	4 October 2012 – 31 December 2012	1,155
Total tonnes of CO₂e removed			22,527,144

The information in this table is correct as at 5 AM NZST, 1 July 2013.

This table covers the emissions returns received by the Ministry for Primary Industries and processed by the EPA between 1 July 2012 and 30 June 2013.

Forestry participants are entitled to receive one unit per whole tonne of CO₂e removed and can choose to report over one, three or five year periods. They must also file a mandatory return at the end of the first commitment period under the Kyoto Protocol (1 January 2008 to 31 December 2012). Partial periods reported above represent forest land whose title has been transferred or has been removed from the NZ ETS.

Table 7 Other removal activities

The table below shows the total quantity of removals reported in emissions returns by participants engaged in Other Removal Activities.

Sector	Activity	Emissions reported to the EPA from 1 July 2012 to 30 June 2013 (tonnes CO ₂ e emissions)
Part 2 Other removal activities	Producing a product with embedded substances	1,706,526.3
	Exporting hydrofluorocarbons or perfluorocarbons	2,429
Total tonnes of CO₂e removed		1,708,955.3

The information in this table is correct as at 5 AM NZST, 1 July 2013.

Other Removal Activities participants are entitled to receive one New Zealand Unit for each two whole tonnes of removals. This covers removals between 1 April 2012 and 31 March 2013.

Compliance with obligations under section 89(1)(f)

Table 8 Compliance with obligations

The table below shows the total number of participants who failed to comply with their obligation to submit an emissions return, or surrender or repay units by the specified date.

	Failure to submit emissions returns	Failure to surrender units	Failure to repay units
Number of participants	239	10	-

The information in this table is correct as at 5 AM NZST, 1 July 2013. All of the reported failures to comply came to light during the 2012-13 financial year, but may not relate to activities in that period.

Total units surrendered under section 89(1)(g)

Table 9 Units surrendered

The table below shows the total number of units surrendered for emissions.

Total number of units surrendered for emissions	
Units surrendered	34,389,939
Less units reimbursed	(16,443)
Net number of units surrendered	34,373,496

The information in this table is correct as at 5 AM NZST, 1 July 2013 and covers units surrendered between 1 July 2012 and 30 June 2013.

Participants carrying out activities relating to Liquid Fossil Fuels, Stationary Energy and Industrial Processes (excluding Synthetic Greenhouse Gases) are liable to surrender one unit for each two whole tonnes of emissions from these activities.

There is no surrender obligation for participants engaged in Waste, Synthetic Greenhouse Gases, or Agricultural activities for the 2012 reporting year.

Units may be reimbursed if an amendment to an emissions return identifies that the participant surrendered too many units.

Total New Zealand units transferred for removal activities under section 89(1)(h)

Table 10 Total New Zealand units transferred for removal activities

The table below shows the total number of New Zealand units transferred for removal activities.

Total number of New Zealand units transferred for removal activities	
23,381,619	

The information in this table is correct as at 5 AM NZST, 1 July 2013 and covers units transferred to participants between 1 July 2012 and 30 June 2013.

Other removal activities participants are entitled to receive one New Zealand unit for each two whole tonnes of removals in respect of carrying out their activity. Forestry removal participants are entitled to receive one New Zealand unit for each whole tonne of removals in respect of carrying out their activity.

The number of New Zealand units transferred for removal activities shown above represents gross entitlement transfers and does not take into account repayments, which may occur if an amendment to an emissions return shows a participant over-reported their removals, and therefore received too many units.

Forestry removals repayments during the 2012-13 financial year may relate to any of the previous reporting years. These amendments are reflected in Table 4.2. Forestry participants must repay one emission unit for each whole tonne of CO₂e that was over reported.

Total New Zealand units allocated under section 89(1)(i)

Table 11 Total New Zealand units allocated

The table below shows the total number of New Zealand units allocated under sub-part 2, less units repaid.

	Units allocated
Total number of New Zealand units allocated	36,515,101
Less units repaid	(24,974)
Net number of New Zealand units allocated	36,490,127

The information in this table is correct as at 5 AM NZST, 1 July 2013 and covers units transferred to eligible persons between 1 July 2012 and 30 June 2013.

- For the forestry and fishing sectors, there was a one-off allocation under the Forestry Allocation Plan and the Fishing Allocation Plan. In particular, units under the second tranche of the forestry allocation plan were distributed in the first half of 2013.
- For Industrial Allocation, there are annual allocations.

Payment of money to meet surrender obligations under section 178(A(2)(b)(ii) or (iii)

Table 12 Payment of money to meet surrender obligation

The table below shows the total sum of money paid to a Crown bank account or paid by the EPA.

	From 1 July 2012 to 30 June 2013
Total sum of money paid to a Crown bank account instead of surrender of units to cover emissions	-
Total sum of money paid by the EPA instead of reimbursing units	-

The information in this table is correct as at 5 AM NZST, 1 July 2013 and covers payments made between 1 July 2012 and 30 June 2013. The Act allows participants to meet their emissions surrender obligations through the payment of money, or a combination of the payment of money and the surrender of units. A participant may satisfy their obligation to surrender units by paying a sum of \$25 for each unit they are liable to surrender into a Crown bank account.