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CCUS Team

Ministry of Business, Innovation and Employment

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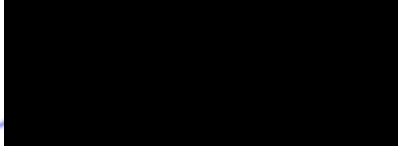
Via email: gasfuelpolicy@mbie.govt.nz

Proposed regulatory regime for carbon capture, utilisation, and storage

1. The Taranaki Regional Council (the Council) welcomes the opportunity to submit on the proposed regulatory regime for carbon capture, utilisation, and storage (CCUS). The oil and gas industry is a key contributor to Taranaki's economy and the energy security of the country. But with climate change posing a systemic threat to communities and ecosystems, we know the country must reach our emissions targets. CCUS can be a key tool to support the transition to a low emissions future.
2. While CCUS has the potential to be an important tool, it is but one amongst many. Successful climate change mitigation requires action across a wide range of fronts. This includes both technological innovation, scaling up existing mitigation options and behaviour change. CCUS cannot be used as an excuse to not prioritise wider mitigation activities and the shift to less carbon intensive lifestyles. We also note that direct air capture technology in particular remains nascent and its ability to support emission reduction uncertain.
3. In developing a regulatory regime for CCUS care is needed to ensure that risks are managed without creating unnecessary costs. The underlying idea behind CCUS – long-term storage of gasses or liquids in geological systems – is not new in New Zealand. The injection and storage of gas and liquid underground has been successfully managed in Taranaki for many years. Accordingly, any regulatory regime should utilise existing mechanisms, such as the Resource Management Act 1991 and the Crown Minerals Act 1991, as much as possible. It should also leverage the considerable expertise that has been developed in Taranaki, both in the Council and more broadly.
4. There are however regulatory gaps that need consideration. The Council supports the development of a permitting regime for CCUS that focuses on the allocation of suitable sites for CCUS activities and the management of liability. The Council supports the liability system proposed in the consultation document, on the grounds that it is accompanied by a thorough test of the applicant's financial fitness through the permitting process. We also note that care is needed to ensure the monitoring needed for a successful liability regime is not duplicated by monitoring required under the RMA.
5. If CCUS is to be economically viable, it has to be well integrated with the New Zealand Emissions Trading Scheme (ETS). ETS participants directly storing their own carbon emissions, either through their own operations or through a contracting arrangement, should be able to easily subtract the CO₂ stored from their overall emissions. Further, businesses deploying storage technologies as a service should have the option of either claiming credits from the market or entering into specific contracting arrangements with emitters.
6. The Council looks forward to further engagement with the Government as the regulatory system is developed.
7. This submission has been consulted with the members of the Council's Policy and Planning Committee out of session via email. It will be formally considered at the next meeting of the Committee on 3

September 2024. Any further comments or amendments from the Committee will be provided after that meeting.

Yours sincerely,



S J Ruru
Chief Executive