

Dear Energy Markets,

I am making a submission on the EECA and MBIE paper ‘Process Heat in New Zealand: Opportunities and barriers to lowering emissions’.

Firstly, I would like to stress the importance of putting a meaningful price on carbon. In order to incentivise a shift away from fossil fuel derived process heat a mandatory carbon price, of at least \$50/tonne and raised at regular and pre-announced intervals to reach \$100 within a couple of years, needs to be implemented. Such a carbon price is needed to drive the urgent and significant emissions reductions that must be made. A carbon price any less than \$50/tonne would belittle the importance of the matter and the value of the impacts of climate change.

Secondly, I would like to note the necessity of stopping all investments in any new fossil fuels powered plants. Although newer coal and gas plants are more efficient, these efficiency gains are limited. All new plants that produce process heat should be powered by renewable energy, otherwise we are just wasting time and money. The Government should put this into legislation. The Government should put regulatory changes in place to ensure that, at the very least, as an existing heat plant reaches the end of its economic life it is replaced by heat plant that is powered by renewable energy.

In addition, measures should be put in place to ensure that existing fossil fuel powered heat plants are not run beyond the end of their economic life in an effort to avoid replacing fossil fuel energy sources with renewable sources.

Climate scientists have given us a deadline of 2030 to keep warming to 1.5°C, thus there is absolutely no place for any coal-fired plants after 2030. In light of this, in the case where an existing fossil-fuel powered heat plant has an economic life that extends past 2030, the Government should put in place legislative and economic measures to ensure that this plant is replaced by heat plant that is powered by renewable energy sources.

Thirdly, I want to emphasise that replacing one form of fossil fuel energy source for another is completely unacceptable. We need to abandon this idea of a “transition fuel”. We already have the renewable energy solutions. We don’t need to shift from coal, to gas, to renewables; that, again, would just be a waste of time and money. Furthermore, if hydrogen is used as an energy source for process heat, it must be generated by renewable means, not derived from fossil fuels.

Thank you for considering my comments on the ‘**Process Heat in New Zealand: Opportunities and barriers to lowering emissions**’ paper. In light of the seriousness of the impacts that climate change will have on New Zealanders, and in light the limited time we have to address the causes of climate change, I urge the Government to take the lead and make the meaningful actions outlined above to ensure a safe climate future.

Sincerely,

Monica Nelson