

MBIE/EECA Process Heat in New Zealand: Opportunities and barriers to lowering emissions

Submission from Oil Free Otago, Dunedin February 2019

1. Oil Free Otago is a Dunedin based community group working to protect our oceans and climate by preventing further oil exploration in our region through nonviolent community led action. We want a fair, planned phase out of fossil fuel use in Otago and Aotearoa, to be swiftly replaced by a fairer, renewable energy powered economy that will sustain the generations to come.
2. Most importantly: **stop any new investment in fossil fuel plants for process heat - including gas.** Any new process heat plants must be renewably fuelled. As current coal and gas-powered heat plants reach the end of their life they must be replaced by renewably fuelled plants. They must not be allowed to be prolonged in order to avoid investment in alternative energy sources.
3. **Gas is not a transition fuel.** We have reached a dangerous point in the climate crisis sooner than climate scientists expected. It is too late to consider replacing coal with gas. Also, amounts of fugitive methane and other gas emissions released during gas exploration, production and transmission are now understood to be much higher than earlier thought, to the extent that the climate-destroying effect of gas can equal that of coal. It is morally unacceptable to consider gas as a transition fuel.
4. If hydrogen is to be used as an energy source for process heat, it **must be generated by renewable means, not derived from natural gas.** Therefore, Oil Free Otago strongly urge MBIE to refuse funding (\$20 million PGF) for Taranaki's hydrogen project proposal by American based 8 Rivers Capital or its subsidiary Poukakai NZ. This project is going in the wrong direction. Nor should Todd Energy be allowed to go ahead with new gas-fired power plants.
5. Instead, we ask that the government put in place financial mechanisms such as a compulsory carbon price starting from \$50/tonne and increasing to at least \$100, to provide the urgent need to reduce emissions and move swiftly to a zero-carbon economy. The government should also provide incentives for scaling up and innovation in waste-to-energy technology.