MAJOR ELECTRICITY USERS' GROUP

15 December 2008

Ministry for the Environment
PO Box 10362
WELLINGTON 6143

By email to emissionstrading@climatechange.govt.nz

Dear Madam/Sir

Submission on draft Climate Change (Stationary Energy and Industrial Processes) Regulations 2008

1.   This is a submission by the Major Electricity Users' Group (MEUG) on the draft Climate Change (Stationary Energy and Industrial Processes) Regulations 2008[1]. The draft regulations were issued in October 2008. The incoming Government announced in late November a Special Select Committee review of the Emissions Trading Scheme (ETS) and related matters. The ETS is part of the Climate Change Response Act 2002 and the draft regulations give effect to the ETS provisions in that primary legislation.

2.   MEUG suggest consideration of these draft regulations be put on hold pending the review of the primary legislation for two reasons:

   a)   As a matter of good public policy we suggest those drafting secondary legislation need to have absolute clarity on the primary legislation that is being given effect to. With the ETS now under review, we think it highly questionable that any secondary legislation by way of regulations can be properly proposed or considered.

   b)   From a practical point of view it is likely that there will be changes to the ETS provisions of the Act. Even small changes to the Act may require amendments or additional information requirements and hence changes to these draft regulations. The regulations will alter significantly if there are major changes to the Act. It would be a waste of government and affected party resources to have a second round of consultation on amendment regulations. It would be more cost effective to put this consultation process on hold and then consult on a revised draft of the regulations once there was clarity on the primary legislation.

Yours sincerely

Ralph Matthes
Executive Director

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[1] http://www.climatechange.govt.nz/consultation/draft-regulations-seip/consultation-draft-stationary-energy-and-industrial-processes.pdf