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Address by the Interim Climate Change Committee

Dr David Prentice, Chair

WHAT IS THE ICCC?

- ICCC is an INDEPENDENT Ministerial Advisory Committee appointed by the Climate Change Minister with the agreement of Cabinet.
- A precursor to the proposed Climate Change Commission.
- Established in May 2018 and due to complete work by end of April 2019.
- Members were appointed for their personal expertise and ability to provide independent, strategic assessment of climate change issues. They do not act as advocates or representatives of a particular interest or sector group.

COMMITTEE MEMBERS

- Chair - Dr David Prentice
- Deputy Chair - Lisa Tumahai
- Dr Jan Wright
- Dr Keith Turner
- Dr Harry Clark
- Dr Suzi Kerr



WHAT HAVE WE BEEN ASKED TO DO?

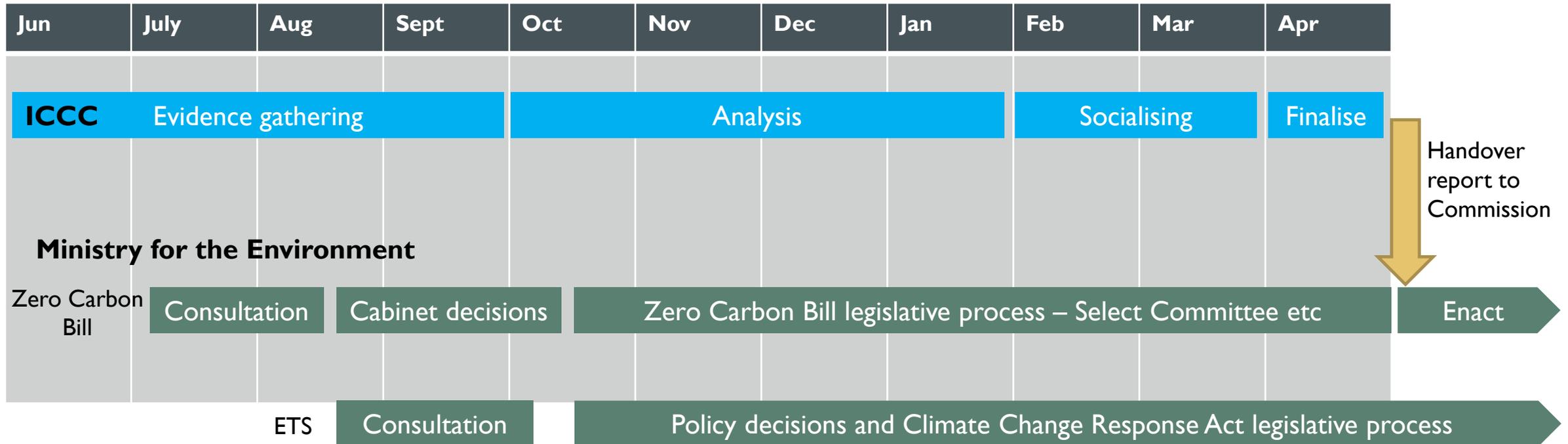
Provide independent evidence and analysis on TWO KEY QUESTIONS with outputs passed to the proposed Climate Change Commission to inform its recommendations.

1. How surrender obligations could best be arranged if agricultural methane and nitrous oxide emissions enter into the NZETS.
2. Planning for the transition to 100% renewable electricity by 2035.

We will work closely with key stakeholders, including Māori, to ensure our engagement is comprehensive and our analysis is both pragmatic and grounded.

The nature of the questions we've been asked to investigate means our focus, and work programme, is in the mitigation space.

TIMEFRAMES IN A CROWDED LANDSCAPE



HOW WE'RE INTERPRETING OUR AGRICULTURAL QUESTION

The question of pricing:

- how could agriculture be brought into the ETS *if* Government decides to pursue this?

OR

- What alternative/s could form the basis of an effective and efficient approach to reducing emissions?

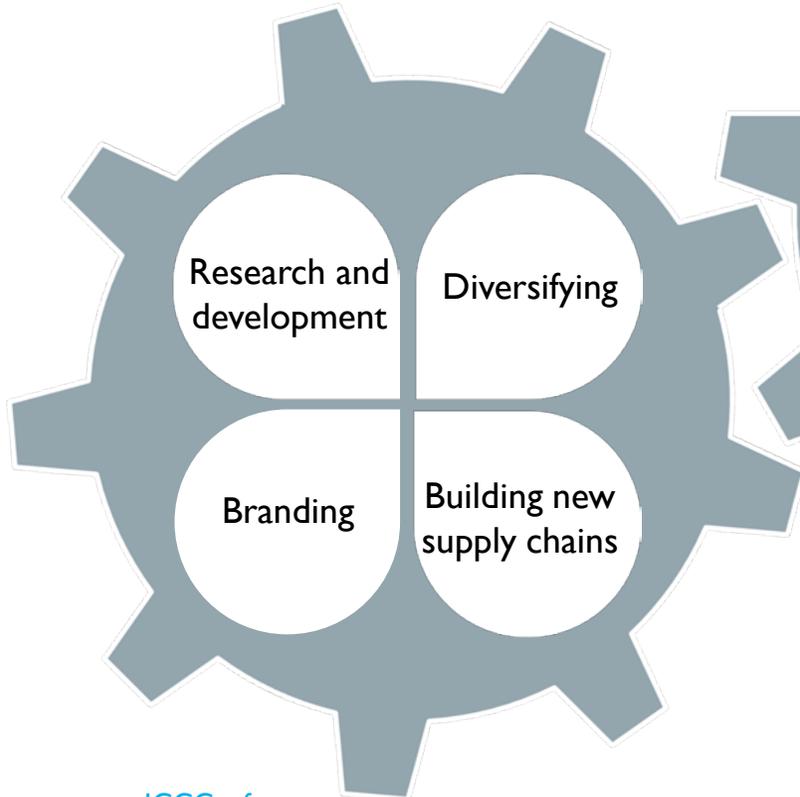


Companion policies:

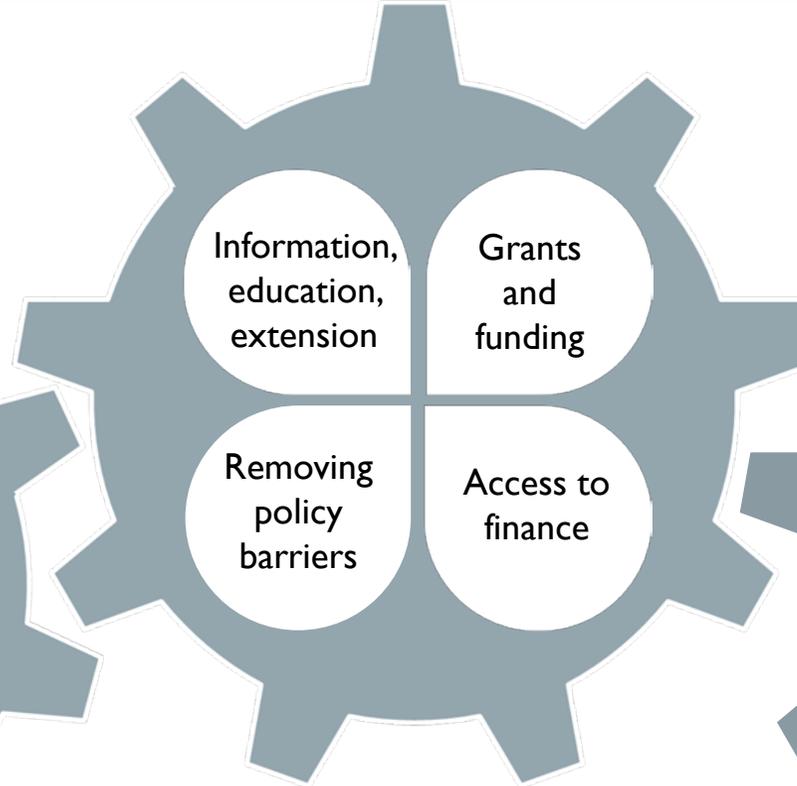
- what initiatives are needed to support the above, bring down costs and address other market failures or barriers?

HOW WE'RE INTERPRETING OUR AGRICULTURAL QUESTION

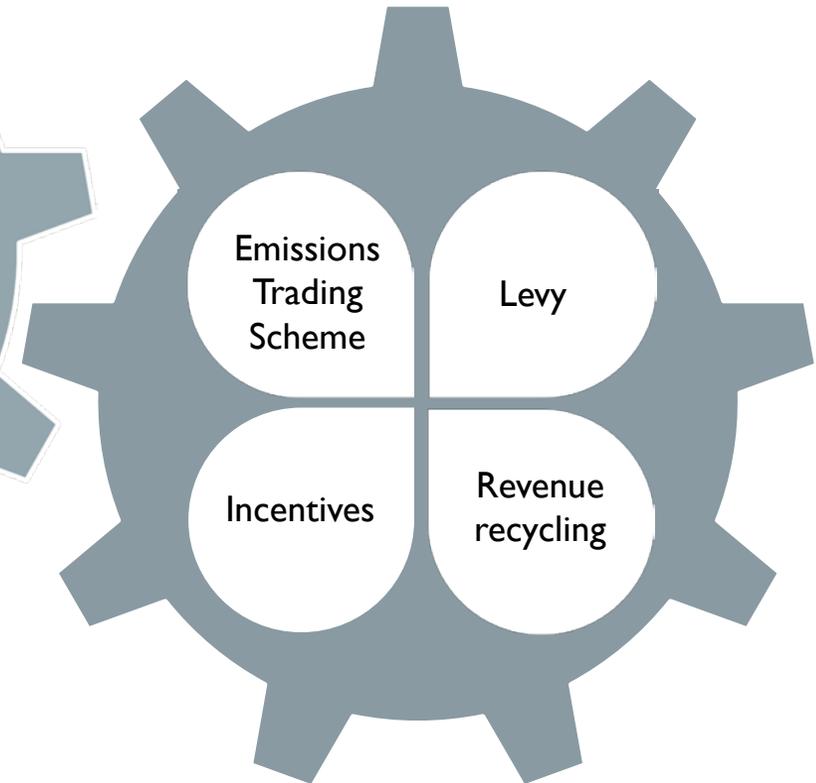
Transforming for the future



Removing barriers



Incentives through pricing



HOW WE'RE INTERPRETING OUR ELECTRICITY QUESTION

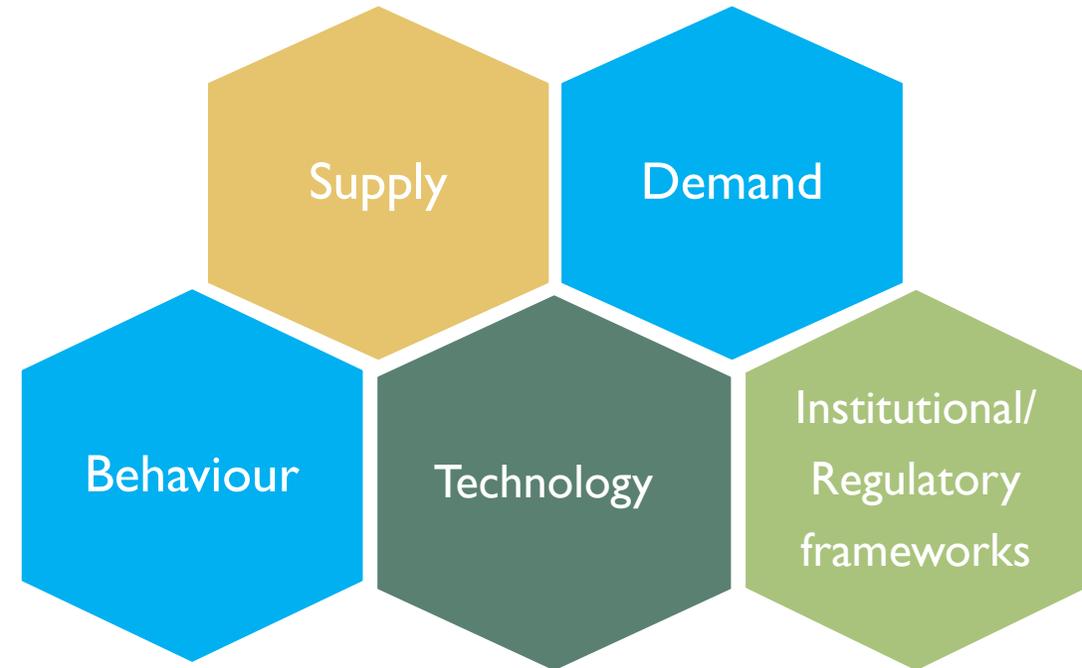
We will focus on the broader goal of how we can transition to a low emissions energy future.



This includes, but isn't limited to, the potential for electrification of:

- the transport system
- industry use of fossil fuels.

HOW WE'RE INTERPRETING OUR ELECTRICITY QUESTION



Working to five key themes

www.ICCC.mfe.govt.nz

Our approach:

- model NZ's electricity system
 - what will the electricity market deliver under business as usual
 - what does 100% renewable electricity by 2035 in a normal hydrological year look like
- review what works well in other countries (case studies etc)
- investigate emerging technologies
- understand electricity innovation in New Zealand
- identify barriers to electricity sector innovation.

Engagement is critical

- Group of experts established to provide challenge and review
- Hosted forum with Transpower and big five generator-retailers

HOW WILL WE GET THERE ?

- Listen and engage
 - Test the status quo
 - Built trust and empathy with stakeholders
 - Reinforce our independence
- 
- Produce a quality, evidence-based and robust product
 - Set the proposed Climate Change Commission up for success

WHAT WE'VE HEARD SO FAR

- Need to understand the likely impacts of any changes across sectors and regions. What are the opportunities and issues?
- How can we support impacted communities to prosper?
- Need to provide insight into opportunities for diversification.
- Stakeholders want us to provide detailed evidence and analysis so they can understand and plan.

We're all in this together

Acknowledge progress to date

Highlight the opportunities

Certainty and predictability

Global Stage

- How do we create a compelling narrative around this for NZ Inc?
- Reinforce message of volume to value

- Be clear about our evidence and eventual direction enabling all of us to plan while encouraging the financial sector to invest and reward good practise.

- We need to consider opportunities and risks for NZ Inc. on the global stage.
- Investment and innovation is key

FEEDBACK WE WANT FROM YOU

1. What do you see as local government's role in reducing emissions?
2. What are the opportunities in a low-emissions economy for your local area?
3. What legislative/regulatory environment is required to realise these opportunities?
4. What do you see as the key priorities for the ICCC to consider?

Please send us your feedback on the above to: enquiries@iccc.mfe.govt.nz by 17 September 2018.