



**Asia-Pacific
Economic Cooperation**

EWG Expert Group on Energy Efficiency & Conservation (EGEE&C)

**Economy report:
New Zealand
April 2009
EGEE&C 33, Singapore**



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- Policy context for EE&C
- Current activities
- New policy commitments
- Issues
- Achievements
- Work in progress



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Policy context for energy efficiency and conservation:

- Value for money and delivery (less focus on strategies and frameworks)
- Put greater relative focus on energy and energy efficiency policies which provide information and incentives – rather than regulation
- More focus on third party partnerships (business sector, local government, construction industries, iwi)



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Current activities:

- Update the New Zealand Energy Strategy (and accompanying action plan, the New Zealand Energy Efficiency and Conservation Strategy) with stronger focus on economic growth, energy security (particularly supply) and affordable/competitive electricity prices – rather than the previous focus on sustainable development and climate change



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Current activities:

- Remove barriers under the Resource Management Act, to facilitate greater uptake of new energy supply including renewable energy (easier consenting for wind farm and hydro proposals – some have been subject to two-four year delays due to appeals process in Act)
- Review the electricity sector to increase competition, reduce prices to consumers and review responsibilities among government agencies for energy efficiency; increased demand side participation



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New policy commitments:

- Decision not to proceed with:
 - A phase-out of incandescent lights
 - A mandatory biofuels sales obligation – although looking to implement other policies to drive its uptake
 - A 10-year moratorium on new fossil fuel generation, but still supporting a 90%renewables target
- Legislation for an emissions trading scheme on hold pending review from Parliamentary Select Committee. Possible alignment of New Zealand ETS (or similar mechanism) with planned Australian carbon pollution reduction scheme
- RMA Review – streamline consent process for large scale renewables



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New policy commitments:

- Home insulation: The Minister of Energy and Resources, Hon Gerry Brownlee, and Green Party Energy Spokesperson, Jeanette Fitzsimons, will work together to determine the design and funding of a home insulation, clean heating and energy efficiency programme to start no later than 1 July 2009, which will target private homes and private sector rental homes.
- Co-benefits include warm, dry, healthy homes and reduction of air particulates in air sheds, social benefits (less absenteeism, reduced hospital admissions for respiratory illness, etc.)



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Issues for energy efficiency and conservation policy:

- Job Summit - EE angle: How can energy efficiency policies and programmes contribute to job creation and improved productivity? - For example:
 - creating construction jobs – reallocation of construction workforce into energy efficiency programmes at a time when there is surplus of capacity (less premium for government to pay; job security). Early research indicators show \$1m from construction industry will generate another \$174m of gross output; for every person employed, another 1.76 jobs are created elsewhere.
 - commissioning large scale renewable generation projects



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Issues for energy efficiency and conservation policy:

- improving business productivity and competitiveness
 - especially for export industries, through all phases of production and distribution
- tourism: improve efficiency and competitiveness and promote 'low carbon' tourism
- banking sector – advice to clients on reducing overheads and managing debt incorporates energy efficient practices

Issues for energy efficiency and conservation policy:

Carbon foot-printing / eco-verification:

- NZ a small, remote, export-driven economy (predominantly agricultural sector).
- Challenges around development of international standards for food miles or embedded energy (eco-verification and carbon foot-printing standards).
- Avoid a proliferation of different standards. Agree definitions of scope and metric with respect-related measurements (e.g. energy intensity and carbon discharging).



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Achievements 2008-09:

- Building Code: Phasing in increased insulation and glazing requirements for houses
- Guidelines on Advanced Metering Infrastructure: Incl. specialised requirements; terms, conditions, pricing; metrology; consumption data recording:
<http://www.electricitycommission.govt.nz/pdfs/opdev/retail/ami/Advanced-metering-guidelinesv2.pdf> (policy at <http://www.electricitycommission.govt.nz/pdfs/opdev/retail/ami/Advanced-metering-policy.pdf>)
- Energy retailers rolling out smart meters within most NZ homes over next couple years:
http://www.pce.parliament.nz/data/assets/pdf_file/0012/3522/EC_annual_review.pdf (section 4.3)



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Achievements 2008-09:

- Biofuels and Electric Vehicles conference, with major international speakers – link to presentations available
- EnergyWise Rally
- Renewable generation: 1st quarter of 2009 supplied 75% of NZ's electricity needs – recovery from dry winter in 2008 and all time record



Work in progress:

- Regional energy efficiency and conservation (with local government) – implementing national action plans at a regional level
- Investigation of a Building Energy Rating Scheme – initially to target building energy management, possibly through online resource
- Investigation of a Building Energy End-Use Project
- Household Energy End-Use Project for home entertainment and air conditioners (heat pumps) – commenced a research project to be completed over next three years



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Work in progress:

- Review of recession-mitigating potentials of energy efficiency policies and programmes
- Investigation into a home energy efficiency online assessment tool
- Electric vehicles – joint government arrangement
MoT/EECA – trials and demonstrations underway next couple years