



6 December 2024

Ministry for the Environment

By email: climate.engagement@mfe.govt.nz

Opportunity to provide feedback to help shape Aotearoa New Zealand's 2035 international climate change target

1. Thank you for this opportunity to provide feedback to help shape Aotearoa New Zealand's 2035 international climate change target.

Background

2. Orion New Zealand Limited (Orion) owns and operates the electricity distribution infrastructure in Central Canterbury, including Ōtautahi Christchurch. Our network is both rural and urban and extends over 8,000 square kilometres from the Waimakariri River in the north to the Rakaia River in the south; from the Canterbury coast to Arthur's Pass. We deliver electricity to more than 225,000 homes and businesses and are New Zealand's third largest Electricity Distribution Business (EDB). Orion and its various predecessors have been providing this essential service to the region for close to 120 years.
3. Orion is a Lifeline Utility for the purposes of the Civil Defence Emergency Management Act 2002. Orion has a statutory duty under this legislation to ensure it is able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency.
4. Orion has a fully owned subsidiary, industry service provider Connetics, and together with Orion the two organisations make up the Orion Group.



5. Central Canterbury is a place of rapid growth and transformation, embracing change and innovation, with Ōtautahi Christchurch at the heart of this diverse and vibrant region. Electricity distribution has always been an essential service that underpins regional, community and economic wellbeing. Our service is vital to the wellbeing and livelihood of the people and businesses who live and operate here. Now, it also has a critical part to play in New Zealand's transition to a low carbon economy.
6. In this context Orion's Group Purpose of "*Powering a cleaner and brighter future with our community*" is central to all we do. As Aotearoa New Zealand transitions to a low carbon economy, the energy sector has a critical part to play primarily through electrification. Orion has established its purpose to be a vital player in that transition for our community and our region. We are focused on helping our community realise its dreams for a future that is new, better, and more sustainable over the long term.
7. We are very conscious that we face a rapidly changing and massively different energy environment in the decades ahead. The changing landscape facing Orion is primarily driven by three factors – climate change, new technology and increasing demand for electricity. The increasing demand for electricity is driven by the need to both enable decarbonisation at pace, and support population growth.
8. In this context, we now set out our comments on setting the proposed NDC2 target.

Question 1 Do you have any comments on the Climate Change Commission's advice?

9. No comments.

Question 2 What factors should the Government prioritise when setting NDC2?

- a. **Represent New Zealand's highest possible ambition in light of national circumstances**
- b. **Align with the Global Stocktake recommendations**

- c. Align with the temperature goal of the Paris Agreement (to limit global warming to well below 2°C, and pursue efforts to limit global average temperature rise to 1.5°C)**
- d. Minimise costs from meeting the target**
- e. Minimise impacts to the economy**
- f. Ensure there is a clear plan for delivering the target**
- g. Consider New Zealand's relative standing to other comparable countries/economies.**

10. As we understand it, in accordance with the wording of the Paris Agreement,

- NDCs need to be “ambitious”.
- Each Party's successive NDC will:
 - represent a progression from its current NDC – in other words, New Zealand's new NDC must be a step forward and more ambitious than the last;
 - reflect its highest possible ambition – in other words, the most that can be done given each party's circumstances;
 - reflect its common but differentiated responsibilities and respective capabilities, in light of different national circumstances - essentially while all parties have a responsibility to take actions to achieve the goals of the Paris Agreement, developed parties (that are generally wealthier and have contributed more to climate change to date) should take a lead.

11. The Sixth Assessment Report by the Intergovernmental Panel on Climate Change has confirmed the following with reference to New Zealand:

- a. New Zealand land areas have warmed by around 1.1°C between the years 1910 and 2020.
- b. Heat extremes have increased, cold extremes have decreased, these trends are projected to continue with high confidence.

- c. Relative sea level rose in Australasia at a rate higher than the global average in recent decades and sandy shorelines have retreated in many locations. This is projected to continue with high confidence.
- d. The intensity, frequency and duration of fire weather events are projected to increase throughout New Zealand (medium confidence).
- e. Heavy rainfall and river floods are projected to increase (medium confidence).¹

12. In our view, the Government must prioritise “Representing New Zealand’s highest possible ambition in light of national circumstances” when setting the NDC2. This must come first.

Question 3 What factors in New Zealand’s economic outlook should be taken into consideration when setting NDC2?

13. We note that GDP growth projections are currently conservative, but we recommend the positive impact of investments in renewable energy generation and attraction of clean energy business to New Zealand on GDP should be considered in setting NDC2.
14. The International Energy Agency notes that clean energy added approximately USD 320 billion to the world economy in 2023 (10% of global GDP growth). New Zealand has an opportunity to tap into that impact and address it’s current conservative growth forecasts, but only if it actively pursues a clean transition. An ambitious NDC2 is key to driving that transition and ensuring access to global markets in the future.

Question 4 What factors do you think are most important for deciding a “fair share” for New Zealand for its NDC2?

15. We recommend that analysis of ‘fair share’ takes into account GHG emissions per capita and per \$ GDP attributable to New Zealand. This will help recognise the historically high contribution of emissions to the atmosphere by development choices within New Zealand that we have all benefitted from, but which have also contributed to global GHG emissions and

¹ Intergovernmental Panel on Climate Change, Sixth Assessment Report, Regional fact Sheet - Australasia

require an equitable response.

Question 5 Should NDC2 be set at a level that is achievable with domestic action only or should it be set at a level that is achievable with a mix of domestic action and international cooperation (offshore mitigation)

16. It is preferable to set the NDC with domestic action only. Investment in New Zealand infrastructure and businesses to reduce emissions is preferable to investing in offshore mitigation. This requires immediate and ambitious action from the government.
17. If immediate action is not taken, or the government wishes to also use offshore mitigation, we support clean energy transitions with our pacific neighbours. These can form part of our 'fair share' of action on climate change and provide enough carbon units to support achievement of NDC2.

Concluding comments

15. Thank you again for the opportunity to provide this submission.
16. If you have any questions please contact Vivienne Wilson, Policy Lead,
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Yours sincerely

Vivienne Wilson

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