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The New Zealand Productivity Commission

Low-emissions Economy

Submission - Allocation of Carbon Credits to Worthwhile Projects

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As the commissioners will be aware, the Emissions Trading Scheme means that the government is essentially in control of the country's carbon credit balance, which it manages according to international agreements.

As a result, it is not possible for technologies or projects that reduce emissions to be awarded carbon credits from private schemes as this would lead to double accounting; i.e., the government already claims the emissions reductions by those projects.

In the case of light rail projects for example, which are desperately needed during the transition to more futuristic technologies such as self-drive vehicles, there are significant carbon emissions reductions to be made by getting commuters off the roads and into trains. The routes from Rangiora and Rolleston to Christchurch, for example, are prime examples where infrastructure is already in place.

I submit that the government needs to be flexible in its management of the carbon balance. There is no cost to the government of awarding carbon credits to projects such as I have outlined above because the nation's overall emissions are reduced by their implementation. However, the capital released to councils or other organisations planning such projects from the sale of carbon credits may just make them financially viable.

Yours faithfully,



Bruce A. Scott