

Transport Specific Excerpts from the New Zealand Energy Strategy, the New Zealand Energy Efficiency and Conservation Strategy and the Framework for a New Zealand Emissions Trading Scheme – October 2007

New Zealand Energy Strategy (http://www.med.govt.nz/templates/ContentTopicSummary_19431.aspx)

Launched on 11 October 2007, the New Zealand Energy Strategy (NZES) has an overarching objective of producing a resilient, low carbon transport system. This will be achieved by using more efficient and lower-impact transport modes, using alternative renewable fuels, increasing vehicle fleet efficiency, and reducing vehicle kilometres travelled through smarter planning.

Key initiatives include:

- Updating the 2002 New Zealand Transport Strategy in 2008
- Developing policies to promote public transport, walking and cycling
- Developing a New Zealand Domestic Sea Freight Strategy
- Developing average fuel economy standards of light vehicles entering the country
- Establishing an expert advisory group to look at future vehicle technologies and barriers to their uptake (eg biofuels and electric cars)
- Introducing the Biofuels Sales Obligations on 1 April 2008.

| FROM VISION TO ACTION | |
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| The government has made an in-principle decision to introduce a target of halving domestic transport emissions per capita by 2040 relative to 2007 emissions. | MOT Ongoing |
| The government has made an in-principle decision that New Zealand be one of the first countries in the world to widely deploy electric vehicles. | MOT Ongoing |
| The government will consider the NZES priorities for resilient, low carbon transport in developing the update to the NZTS. | MOT 2008 |
| The government will continue to support local government on quality urban design, including investigating the role for greater national guidance. | MfE Nov 2007 |
| The government will continue to develop policies, including policies on funding, to encourage greater provision of public transport, walking and cycling. | MOT 2008 |
| The government will encourage the deployment of low carbon bus fleets, including hybrid and electric buses, into the suburban passenger fleet. | MOT Ongoing |
| The government is working with those involved in the shipping industry, including associated rail and road operators, to develop a <i>New Zealand Domestic Sea Freight Strategy</i> . | MOT Now |
| The government will continue to work with the New Zealand-based aviation industry, and within international forums, to encourage the use of more fuel efficient practices and aircraft. | MOT Ongoing |
| Through the NZEECS, the government will work with industry to develop average fuel economy standards for light vehicles entering the fleet. | MOT End 2007 |
| The government will establish an expert advisory group to look at future vehicle technologies, such as biofuel and electric vehicles, including barriers to early adoption. | MOT End 2007 |
| The government will introduce a <i>Biofuels Sales Obligation</i> . | MED 1 Apr 2008 |
| The government will review the <i>Biofuels Sales Obligation</i> in 2010 to establish all aspects of the obligation after 2012, including | MED Dec 2010 |

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| obligation levels. | |
| The government will continue to participate in international dialogue on the role and potential for alternative fuels. | MED Ongoing |
| The government will work towards positioning New Zealand to be a world leader in the deployment of new vehicle technologies, including plug-in hybrids and electric vehicles. | MOT Ongoing |
| The government will continue to support opportunities to develop and commercialise niche applications for hydrogen. It will also strengthen opportunities for international collaboration to ensure New Zealand can be a fast adopter if the use of hydrogen as an energy carrier becomes commercially viable. | MED/FRST Ongoing |
| New Zealand will have access to at least 90 days' of oil stocks, in line with international obligations. | MED Ongoing |
| The government will produce an updated <i>Oil Emergency Response Strategy</i> . | MED Jun 2008 |

The New Zealand Energy Efficiency and Conservation Strategy (<http://www.eeca.govt.nz/about/national-strategy/nzeecs-index.html>)

The New Zealand Energy Efficiency and Conservation Strategy (NZECS) contains further transport targets and actions which will give effect to targets in the NZES. The objective is to reduce the overall energy use and greenhouse gas emissions from New Zealand's transport system.

Energywise Transport - Summary of actions:

| Action | Outcome | Delivery |
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| <i>Managing demand for travel</i> | | |
| Work with local government to promote travel demand management planning | Reduction in vehicles kilometres travelled (VKTs), energy use and emissions | LTNZ (Funded) |
| Support businesses to put travel plans in place | Reduced VKTs, emissions and congestion | LTNZ (Funded) |
| Support schools to put travel plans in place | Increased walking (including walking school buses) and cycling | LTNZ (Funded) |
| <i>More efficient transport modes</i> | | |
| Review funding policies to encourage greater provision of public transport, walking and cycling | Recommendations by the end of 2008 | MoT (Funded) |
| Regional public transport planning Targets set in Regional Land | Transport Strategies by the end of 2012 | Regional Authorities (Funded) |
| Complete Auckland rail electrification with the rolling replacement of diesel trains with electric units | Capacity and patronage increases | Ontrack and ARTA (Funded) |
| Complete the Wellington rail upgrade | Estimated double peak time capacity | Ontrack, GWRC and Land NZ (Funded) |
| Support efficient bus use | Complete passage of Public Transport Management Bill by the end of 2007 | Transport MoT (Funded) |
| Bus infrastructure improvements including completion of the Northern Busway in Auckland | Save 1,000 tonnes CO2 pa in first stage | ARTA and local councils (Funded) |
| Implement the Walking and Cycling Strategy and fund the Bikewise programme | Reduce VKT MoT/Land | Transport NZ (Funded) |
| Support development of Neighbourhood Accessibility Plans to encourage mode shift | Emissions reductions and health benefits | LTNZ (Funded) |
| Active living programme | Encouragement for mode shift from cars to walking and cycling | SPARC (Funded) |
| Collect data on freight movements | Inform policy development by the end of 2009 | MoT/MED (Funded) |
| Develop a New Zealand Domestic Sea Freight Strategy | Discussion document published in 2007 | MoT (Funded) |
| Review heavy vehicle weight limits | Recommendations by the end of 2009, new land transport rule, if required, by end of 2011 | MoT (Funded) |
| Investigate options for improving the efficiency of the North Island main trunk line | Report with recommendations by the end of 2010 | MoT (Under consideration) |
| <i>Improving the efficiency of the transport fleet</i> | | |

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| Average fuel economy standards for new and used light vehicles entering the fleet | Decision by December 2007 | MoT (Funded) |
| Introduce fuel economy labelling scheme for light vehicles by March 2008 | \$333m energy savings, 0.98 Mt CO ₂ , cumulative by 2033 | EECA (Funded) |
| Report on the potential for better tyres to improve vehicle fuel efficiency | Report by June 2008 EECA | (Under consideration) |
| Collection of fuel economy data on vehicles entering the fleet | Rule in place by December 2008 | MoT (Funded) |
| Continue the fuelsaver.govt.nz website and launch the rightcar.govt.nz website | Informed consumers | LTNZ (Funded) |
| Develop a fleet commitment and driver training programme for heavy vehicle drivers | Savings of 0.011–0.014 Mt CO ₂ pa | MoT (Funded) |
| Vehicle Fleet Strategy to promote optimal fuel economy, safety and air quality | Final strategy published by June 2008 | MoT (Funded) |
| Work with the aviation industry to encourage the use of more fuel-efficient practices and aircraft | Improved aviation energy efficiency | MoT (Funded) |
| Vehicle retirement (scrappage) scheme | Extend trial to 2009 MoT | (Under consideration) |
| <i>Developing and adopting renewable fuels</i> | | |
| Develop voluntary sustainability consumer information for biofuels | Publish by the end of 2009 | EECA (Funded) |
| Establish an Advisory Group to look at future vehicle technologies, such as biofuel and electric vehicles, and barriers to their early adoption | Establish by December 2007 | MoT (Funded) |
| Introduce the Biofuel Sales Obligation and review the post-2012 obligation levels in 2010 | Savings of 1.08–1.12 Mt CO ₂ , cumulative by 2012 | MED (Funded) |
| Funding support for new low carbon energy research and development fund | Implement fund by the end of 2008 | MoRST/FRST (Funded) |
| Accelerate the uptake of plug-in hybrid and electric vehicles | Establish work programme by the end of 2008 | MoT (Funded) |

The transport targets in the NZEECS which will be used to assess progress include:

- to reduce per capita greenhouse gas emissions from the transport sector by 50 per cent from those in 2007 by 2040
- to position New Zealand to be one of the first countries, if not the first, to widely deploy electric vehicles
- reduce the kilometres travelled by single occupancy vehicles, in major urban areas on weekdays, by 10 per cent per capita by 2015 (compared to 2007)
- review regional passenger transport mode share targets by the end of 2012 through scheduled reviews of Regional Land Transport Strategies, and subsequent Regional Passenger Transport Plans
- reduce the rated CO₂ emissions per kilometre of the combined average of new and used vehicles entering the fleet to 170 grams CO₂ per kilometre by 2015 (approximately 7 l/100 km). The current average is in the region of 220 grams CO₂ per kilometre (between 9.5 and 10 l/100 km). This will equate to average fuel consumption figures of 7.4 l/100 km for petrol vehicles and 6.5 l/100 km for diesel vehicles

- by 2015, 2.1 million vehicles (80 per cent of the fleet) to be capable of using at least a 10 per cent blend of bioethanol or biodiesel, or electric powered
- by June 2009, the government will establish baseline data for the volume of freight, and the CO2 emissions per tonne kilometre of freight moved domestically by different modes.

The potential savings from the transport targets are:

- up to 110 million litres of fuel, 3.7 PJ of energy, and a reduction of 0.26 Mt CO2 emissions through reducing single occupancy vehicle trips by 10 per cent by 2015
- cumulative savings of 441 million litres of fuel, (16.2 PJ of energy) and 1.10 Mt CO2 emissions over an eight-year period by reducing carbon dioxide emissions from vehicles entering the light vehicle fleet to 170 g CO2 /km by 2015
- the gains to 2025 are estimated as 4,826 million litres (175.1 PJ of energy) and 11.8 Mt of CO2 emissions. This outcome is based on vehicles travelling slightly less due to the Emissions Trading Scheme and fleet entry and exit remaining at the 2006 level. An underlying efficiency
- gain of 1 per cent per annum for newer vehicles has been assumed, as there will be gains not directly attributable to this initiative.

The Framework for a New Zealand Emissions Trading Scheme (www.climatechange.govt.nz)

On 20 September 2007 the government announced its intention to introduce an emissions trading scheme in New Zealand. This scheme will:

- cover all sectors and all gases overtime
- assist New Zealand in meeting its international obligations (initially the Kyoto Protocol)
- reduce business-as-usual greenhouse gas emissions.
- forestry enters the scheme in 2008, transport in 2009, stationary energy and industrial processes in 2010, agriculture and waste in 2013.

In the transport sector:

- fuel suppliers will be required to surrender emission units (either NZ emission units or Kyoto Units) to the crown to cover emissions result from the domestic use of the fuel they sell.
- There is an option for airlines to opt in to become participants in respect of jet fuel.
- Fuel used for international trips, in the marine and aviation sectors, will not be subject to the scheme. This is consistent with the Kyoto Protocol.
- The impact of the scheme on fuel prices are expected to be between 4 and 7 cents per litre for petrol and diesel.
- Emissions are expected to reduce compared to business-as-usual by between 0.3 and 0.6 percent as a result of the emissions trading scheme (and no other policies).