

# Christchurch City Council submission on the Draft New Zealand Energy Efficiency and Conservation Strategy 2017-2022

## Overview / Introduction

Christchurch City Council fully supports central government leadership, through the implementation of the New Zealand Energy Efficiency and Conservation Strategy 2017-2022 (the Strategy), on being an energy efficient, productive and low emissions economy. Strong government leadership, with a clear and consistent direction provides motivation and certainty for the economy to respond. A clear and compelling pathway toward a low carbon future will mobilise support and enable investment and drive innovation.

It would be helpful if the Strategy provided some key trend information including data and graphics to explain the scale of the opportunity and the challenges as they relate to the priority areas and targets.

It would be helpful to show targets relative to existing trends or baselines – indicating the scale of change needed to achieve the targets.

## Goal / Objectives

The current draft goal statement is to *“Support New Zealand to be an energy efficient, productive and low emissions economy”*. It is suggested that a more active goal statement is used *“New Zealand is an energy efficient, productive and low emissions economy.”*

The word “support” seems a little weak for a goal and is a means to the end, not an end in itself.

The draft Strategy provides specific objectives for each sector which is useful. This provides a clear call to action for each sector.

## Priority areas

We support the Government’s focus on the largest greenhouse gas emission sources and on areas with the greatest opportunity for change (e.g. transport and process heat as identified).

We support the Objectives and the Three Priority Areas of the Strategy. In relation to the priority area for transport, we support the priority area to achieve “efficient and low emissions transport” however we believe there is more to be done to achieve this than simply focusing on the fleet becoming electric. While there is some mention of managing travel demand, there is not enough focus in the Strategy on the reduction of travel and the use of alternative modes of travel.

## Sector contributions

### **Transport**

Transport should be an important focus for the Strategy. However, transport has a much wider range of interventions than those listed. Many with a larger benefit and less cost than the projects listed. While we fully support the move to electrification of the vehicle fleet, the use of efficient vehicles, freight optimisation and driving behaviours etc., for NZ to advance on its goal of a low carbon economy, it will be vital to get people out of cars. Walking, cycling and public transport should be promoted more fully through this Strategy.

The Strategy mentions New Zealand's linear and narrow geography and suggests road transport is particularly important. However it should be acknowledged that rail, air and sea transport will need to play a role in reducing national transport emissions. Almost half of the national vehicle kilometres travelled are *within* our urban centres, not between our urban centres. The linear geography of the country is arguably more conducive to air and rail travel. Dispersed geographical patterns are more conducive to road travel. An effective strategy to reduce national transport emissions should focus on trips within our urban centres which can generally be met by a wider array of low-emission modes than inter-regional trips.

Council would like to see an additional target for transport focused on reduction of use and mode shift. Changing the fleet is one part of a bigger solution that needs to occur, particularly in the urban/metro areas of New Zealand. Broadly, there should be a target to reduce single occupant vehicle travel by applying demand management and offering alternatives.

Environmentally, an increase in electric vehicles will reduce emissions, but from an overall transport perspective they do little to achieve wider Council objectives for the effectiveness or efficiency of the overall network operation. Public and active transport are much better alternatives that meet a range of policy objectives including energy efficiency.

An increase in electric vehicles will mean a reduction in people using internal combustion vehicles, however has consideration been given that some electric vehicle trips could be syphoned from walking, cycling, and public transport modes? Automobiles (whether electric or otherwise) create demand for roads, car parks, rubber tyres, automobile dependant land use, and ultimately, urban sprawl.

Consideration should be given to a goal that would encourage fewer people driving alone, fewer cars on the road, reduced car ownership per household, fewer kilometres driven overall. This would complement the Strategy's efficient and low emissions transport priority and ensure a comprehensive approach to the reduction of transport emissions.

### **New Technology**

Council supports the Strategy focus on technology and its enabling nature to increase efficiency, however, it's not just new technology that provides opportunity. Investments and incentives that are focused on providing transport choice (walking, then cycling, then public transport, then low per-passenger emission travel (e.g. carpool trips, electric vehicles, car sharing etc.) will help limit dependence on vehicle use and ultimately reduce energy use and emissions.

### **Passenger transport**

While the focus on the fleet for public transport is important, increasing the use of public transport will have a more effective reduction in emissions. Increasing the use of public transport will require investment and incentives.

### **Freight transport**

Council supports improvement to the freight fleet and management. However, it is important to acknowledge the country's urban transport task and not solely focus on the inter-regional movements. However, inter-regional freight is important but the Strategy shouldn't solely focus on heavy vehicle fleets. Much of today's freight is intermodal and fit for purpose transport vehicles should be encouraged. Rail, coastal shipping and urban freight vehicles hold the promise of achieving smarter, more efficient outcomes.

Travel time delay for goods and freight vehicles is the most unpredictable in the morning and afternoon peaks periods. Encouraging freight to travel on major arterials outside these times is the best way to move freight efficiently and cost-effectively.

There is no mention of minimum low carbon emission performance requirements or targets for imported vehicles. This work should be included in the Strategy.

The Strategy should include work on developing energy efficiency ratings for battery electric vehicles that can be used to compare different models of electric vehicles, i.e. kWh used per 100km.

## **Actions**

### **Businesses**

1. The business sector arguably holds the greatest potential to achieve meaningful impact in reducing greenhouse gas emissions. While the public sector can set policy and provide incentives, it is ultimately employers that will have to show leadership and demonstrate practices that are successful in cutting emissions. The Strategy mentions that energy is one of the few costs that businesses can control – while this is true, the sphere of influence businesses have extends well beyond energy management, and extends to corporate culture and policy.
2. One of the first steps in achieving an emissions reduction target is to understand and quantify the impact of business operations and emissions factors. The Ministry for the Environment provides guidance on voluntary reporting for greenhouse gas emissions that are in-line with international standards such as ISO 14064-1 and defines emissions as direct (scope 1) and Indirect (scope 2 and 3). Employee commuting can represent a significant source of scope 3 emissions; however, it is frequently omitted from measurement and reporting. Perceptions of ‘ownership’ of those emissions and employee responsibility are common factors. The Ministry for the Environment does not outline nor recommend reporting on the full range of scope 3 activities, even though some of those activities often represent a significant proportion of overall transport emissions. Emissions from employee commuting occur as a consequence of the activities of a company but are not directly owned or controlled by the organisation. Deciding where to locate offices, parking policies, flexible work hours and telecommuting policies can have significant impacts on an organisation’s overall carbon footprint. If EECA were to encourage businesses to at least consider employee commuting as part of their sphere of responsibility, the Strategy could make significant strides in reducing one of the biggest contributors to New Zealand’s transport emissions. Council encourages EECA to show leadership in encouraging low emission commuting practices.
3. Greater emphasis on freight optimisation and mode shift – the draft Strategy has a focus on continued road use.
4. The Strategy mentions freight businesses can: purchase more efficient vehicles, including electric vehicles yet doesn’t mention purchase of electric vehicles in the Commercial businesses can: column.
5. The current EECA programme of support for new commercial building energy efficient design and commissioning isn’t mentioned in the supporting actions. This EECA programme has been good support for businesses and organisations in Christchurch.
6. An EECA programme of support for the commercial sector to increase the number of commercial buildings that have a NABERSNZ rating should be included in the Strategy.
7. The Strategy should consider how to encourage innovative research into developing commercial low carbon emission technologies for implementation.

8. In the business section it states: “Explore options for the accelerated uptake of more energy efficient and intelligent land transport technology (e.g. Smart Traffic Management)”. Smart Traffic Management isn’t a role for businesses it is for Public Sector implementation.
9. Supporting actions should, where possible, have measurable targets alongside the actions.
10. The yellow, orange and blue icons used in the Strategy supporting action tables are confusing in what they represent.

#### Individuals

11. Poor quality installation of insulation and energy efficient or renewable technologies continues to be an issue for New Zealand. Recent BRANZ and EECA reports reveal that a large proportion of homes perform poorly even after improvements have been made due to poor installation. EECA should continue to work with industry organisations to raise the capacity and productivity of installers. This is especially important because of the recent changes to the Residential Tenancy Act requiring insulation in rental properties. The opportunity to improve the housing stock could be undermined by poor installation.
12. Most appliances display information about energy performance at the point of sale. However, this is not the case for homes in New Zealand. Government could investigate how best to enable a more informed choice to be made when a home is built, sold or rented. This has proved a useful catalyst for building transformation in Europe (UK Energy Performance Certificate).
13. In the table on page 14 it states under the Out and about: column “Use a ride sharing scheme”. It should include “Use a car sharing scheme”.

14. In the supporting actions table it states:

*“Implement the Electric Vehicles programme ..... through collaboration with the private sector to...” This should be “...through collaboration with the public and private sector to ...”*

Councils and Government agencies have a key role to play in this initiative. This supporting action is currently in the Individuals section but should be in the business and public sector sections.

15. Supporting actions should, where possible, have measurable targets alongside the actions.
16. The yellow, orange and blue icons used in the Strategy supporting action tables are confusing in what they represent.

#### Public Sector

17. We strongly support the continuation of the Warm-up NZ Healthy Homes Programme and its current focus on rental accommodation because of the recent changes to the Residential Tenancy Act. However, this successful NZ-wide programme can be greatly supported with local Voluntary Targeted Rating that allows payments to be made for energy efficient home improvements through property rates. EECA should continue to actively support local Councils to adopt Voluntary Targeted Rates schemes where possible.
18. Council is keen to continue to work with EECA to deliver benefits to our local community and businesses e.g. Target Sustainability and Build Back Smarter. Collaboration is a key approach to successful implementation.
19. In the supporting actions table it states:

*“Consider how public sector agencies can implement procurement policies that take into account life-cycle costs of products and services”*. It is recommended that this should be changed to:

*“Consider how public sector agencies can implement procurement policies that take into account life-cycle energy use costs and greenhouse gas emission generation of products and services”.*

20. Supporting actions should, where possible, have measurable targets alongside the actions.
21. The yellow, orange and blue icons used in the Strategy supporting action tables are confusing in what they represent.

#### **Cross-cutting actions**

22. Supporting actions should, where possible, have measurable targets alongside the actions.
23. The yellow, orange and blue icons used in the Strategy supporting action tables are confusing in what they represent.

#### **Appropriateness of targets**

24. The Strategy uses a target previously set by Central Government (e.g. 90% renewable by 2025). However, New Zealand has an opportunity to be the first 100% renewably powered electricity grid in the world. A unique selling point especially for exports and tourism. Perhaps EECA could forecast when 100% is likely to be achievable and include this as a bold stretch target.
25. We support the introduction of an emission intensity target which will help drive performance and productivity. This will allow useful comparisons over time, across sectors and with other economies. However, the Government should also not lose sight of total emissions for New Zealand from the energy sector because an intensity approach can mask emissions in a growing economy.
26. Additional transport targets needed, in addition to electrification, to better reflect the range of opportunities and the scale of change needed in this critical area.

#### **Continual improvement – Energy Data**

27. We recommend that Government implements National reporting of energy consumption, by energy type and by source and National reporting of greenhouse gas emission generation by energy type and by source.
28. This Government reporting should also be broken down by city so councils can monitor energy consumption, by energy type and by source and monitor greenhouse gas emission generation by energy type and by source.
29. A best practice and consistent energy consumption and greenhouse gas emission data collection reporting framework by Government is required both for Government to measure the results of its programmes and also to allow Councils access to the reporting so comparisons can be made across communities. This would also support voluntary approaches to monitor carbon emissions (e.g. The Global Covenant of Mayors for Climate and Energy).