

IEA Welcomes NZ ETS

The International Energy Agency has welcomed the design of New Zealand's emissions trading scheme, but adds that the country should consider some constraints on the types of credits that can be imported into the scheme. In a letter to the NZ Government, the IEA says that the country's ETS uses a "well-integrated" strategy and takes a "very realistic approach". In September, the NZ Government announced the design of the ETS, which will be established 1 January 2008. It had asked the IEA to comment on the scheme's design. The agency questioned two aspects of the ETS, according to NZ Climate Change Minister David Parker. NZ was asked to look closer at how it treats allowances from plants that are shut down or replaced by lower-emitting units, and which types of foreign credits it should allow companies to import. The scheme allows NZ companies to use project's credits from the Kyoto Protocol. The IEA points out that some restrictions on credits should be considered, "such as the so called 'hot air' units from Russia and the Ukraine," says Parker. "These are also issues which have been raised with the emissions trading group during the intensive engagement process underway since late September. The Government is carefully considering these and other issues," Parker adds.

[Source esaa news]