

Energy Resources Sector Net Zero Accord

The Paris Agreement sets a global commitment to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels, and to achieve a net zero world in the second half of this century. Goal 7 of the Sustainable Development Goals similarly demands significant progress in delivering an affordable and clean energy system. This includes facilitating access to clean energy technology such as energy efficiency and cleaner fossil-fuel technology (Target 7.a).

New Zealand's Nationally Determined Contribution under the Paris Agreement commits to a headline target of a 50 per cent reduction of net emissions below gross 2005 levels by 2030. The Climate Change Response Act further commits to reaching national net zero emissions by 2050.

These anchor points guide the actions required of the energy resources sector.

New Zealand's energy resources sector needs to be a leader in reducing emissions and driving New Zealand toward its national net zero target by 2050. To achieve this, we have established a national **Energy Resources Sector Net Zero Accord**. The Accord will pave the way for the industry to continue reducing its Scope 1 & 2 emissions and support an affordable, reliable, and low-emissions energy system.

Our collective commitments are:

1. **Upstream decarbonisation:** continue to reduce our Scope 1 & 2 emissions as part of the transition toward a national net zero emissions economy by 2050
2. **Customer decarbonisation:** understand and support our domestic customers' emissions reduction plans, while continuing to meet their energy needs
3. **Scaling low-emissions energy:** support the development and deployment of technologies that will reduce the emissions intensity of the energy system over time
4. **Supplying affordable, reliable, and low-emissions energy:** deliver affordable and reliable energy with reduced emissions, provided the right policy, regulatory and market settings are in place

Our collective actions to achieve these commitments are:

1. **Upstream decarbonisation:**
 - invest significantly in low-emissions upstream technologies including energy efficiency; low-emission fuels; and flaring and venting reduction
 - invest in permanent and/or production forestry to offset residual emissions
 - fund a detailed technical and economic study into the viability of carbon capture, use and storage (CCUS) in New Zealand to determine if it is a feasible domestic solution
2. **Customer decarbonisation:**
 - work closely with our customers to understand their decarbonisation pathways/plans and match our gas production to meet these requirements
 - support customers to switch from coal to gas where opportunities exist
 - explore opportunities for customers and other New Zealand businesses to use CCUS
3. **Scaling low emissions energy:**
 - invest directly in low-emissions energy solutions like solar, wind, and CCUS

- support Ara Ake and Venture Taranaki to scale low-emissions energy by providing access to domestic and international expertise
- commit capability to assist the scaling up of clean energy technologies where we have unique expertise (e.g., offshore capabilities for offshore wind)

4. **Supplying affordable, reliable, and low-emissions energy:**

We need the right policy, regulatory and market settings in place to deliver this Accord and to support New Zealand's progress toward national net zero by 2050. We will work with government and the broader sector to:

- promote policy and regulatory settings that improve investment confidence while enabling decarbonisation
- contribute to enhancing flexibility and resilience of the energy sector through engagement on the national energy strategy
- support a transition away from coal as the predominant solution for electricity dry years

Further details of the Accord and the settings that will be needed to support the energy transition can be found in Energy Resources Aotearoa's 2022 *Fueling the Energy Transition* report.

The Accord creates a platform for collaboration both within the energy resources sector, and between the sector and government, as we explore and shape the future of energy through the transition.

We welcome interested participants in the energy resources sector to join us in our shared commitment as signatories to the Accord. To join the Accord, contact Energy Resources Aotearoa (our convening partner).



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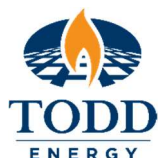
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Energy Resources Aotearoa is the convening partner for the Energy Resources Sector Net Zero Accord. Prospective signatories can reach us here: www.energyresources.org.nz/contact-us