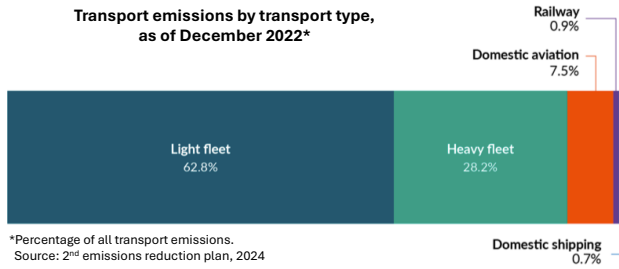


Finding low-cost-to-abate emissions-reduction in light-vehicle fleet usage

The light vehicle fleet: 8.9 Mt CO₂-e/year

- Cars, Vans, SUVs, and Utilities owned by households and organisations
- Maximum weight: 3,500 kg



1



The full report is available at this QR-code link.

Contact the author:
Paulminett@tripconvergence.co.nz

A detailed system specification is available at this QR-code link.



Two Key Findings

1. NZ Emissions Trading Scheme does not, will not, and was never likely to reduce light fleet emissions to any great extent in the 2050 timeframe.

An urgent conversation is therefore needed

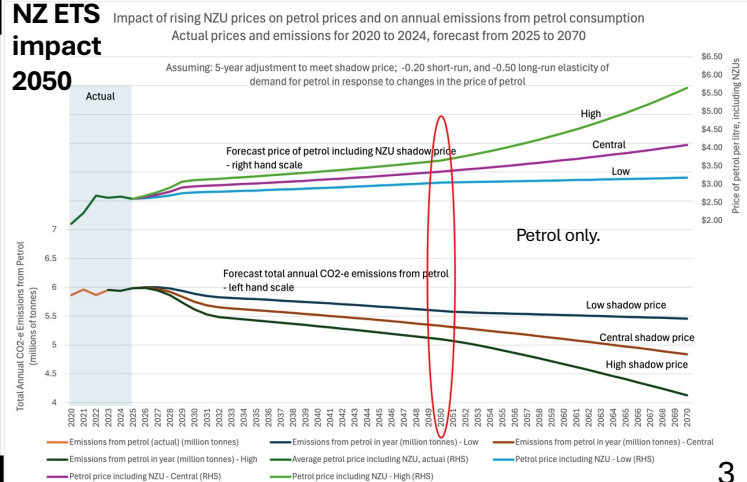
2. Tradable fuel-purchase-allowances could be a perfect complement to the NZ ETS to help reduce emissions from the light vehicle fleet.

Tradable fuel-purchase-allowances

- Downstream solution
 - Would apply to anyone who is buying fossil fuel for a light fleet vehicle.
- Ensures emissions from the light fleet reduce every quarter
 - A sinking cap, to an agreed 2050 target level.
- Each quarter a new set of allowances
 - Total allowances reliably less than previous quarter, adjusted for seasonality.

2

NZ ETS impact 2050



3

4

Key features

- Issued free of charge
- To people, not organisations
- 1st quarter = previous Q, adjusted for seasonality
- Covers all light fleet fossil fuel, people plus organisations
- People sell surplus to organisations
- All adults, (16+)
- Equitable not equal
- Equity Adjustment Factor (EAF)
 - Low income
 - # children
 - Rural
- Equity backstop provision
- Save, sell, gift surpluses

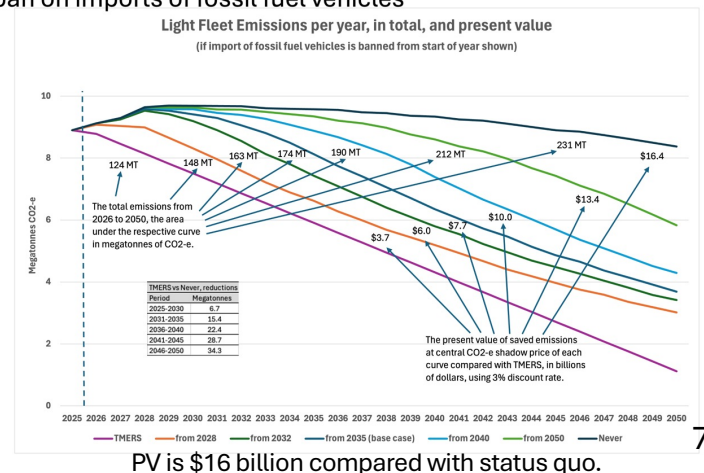
5

Other details

- Denominated in terms of emissions
- Legally entitles holder to purchase fossil fuel that makes the emissions
- NZ ETS price already in the fuel
- Not a carbon tax, no new government revenue
- Save, sell, gift, or use, all easy through the app
- Allowances never expire until used up buying fuel
- Maximum stock holding provision protects early gains
- Market-maker(s) offer buy & sell prices and publicise transaction data

6

Comparing the impact of allowance solution to impact of a ban on imports of fossil fuel vehicles



7