



Climate Change (Eligible Industrial Activities) Amendment Regulations (No 2) 2010

Anand Satyanand, Governor-General

Order in Council

At Wellington this 20th day of September 2010

Present:
His Excellency the Governor-General in Council

Pursuant to section 161A(1) of the Climate Change Response Act 2002, His Excellency the Governor-General, acting on the recommendation of the Minister for Climate Change Issues (being satisfied as to the matters specified in section 161A(3) of that Act) and on the advice and with the consent of the Executive Council, makes the following regulations.

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Schedule
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Regulations

1 Title

These regulations are the Climate Change (Eligible Industrial Activities) Amendment Regulations (No 2) 2010.

2 Commencement

These regulations come into force on 23 September 2010.

3 Principal regulations amended

These regulations amend the Climate Change (Eligible Industrial Activities) Regulations 2010.

4 Interpretation

Regulation 3 is amended by inserting the following definition in its appropriate alphabetical order:

“**dry-weight**, in relation to a product or an activity (other than a cementitious product or activity), means 100% equivalent dry-weight (0% moisture content)”.

5 New regulations 23 and 24 inserted

The following regulations are inserted after regulation 22:

“23 Manufacture of iron and steel from iron sand

“(1) The manufacture of iron and steel from iron sand is an eligible industrial activity.

“(2) The products produced by the manufacture of iron and steel from iron sand that must be used as the basis of allocation are—

“(a) Product A, which consists of the total tonnes of molten iron, as measured before the addition of any cold ferrous feed (for example, scrap steel or solid pig iron), that is produced by carrying out the eligible industrial activity:

“(b) Product B, which consists of the total tonnes of cast carbon steel products that are—
“(i) produced by carrying out the eligible industrial activity; and
“(ii) of saleable quality;

“(c) Product C, which consists of the total tonnes of vanadium-bearing materials that are—
“(i) produced by carrying out the eligible industrial activity; and
“(ii) of saleable quality;

“(d) Product D, which consists of the total tonnes of flat products of hot-rolled carbon steel that are—
“(i) produced by carrying out the eligible industrial activity; and
“(ii) of saleable quality.

“(3) For the purposes of this regulation and the Schedule,—
“**carbon steel** means a material that contains by mass more iron (Fe) than any other single element and has a carbon (C) content that does not exceed 2%
“**flat products of hot-rolled carbon steel** means hot-rolled steel products produced in hot strip or plate mills that are flat in profile (for example, plate and hot-rolled coil), and typically are greater than 600 mm in width and less than 150 mm in thickness
“**manufacture of iron and steel from iron sand** means the chemical and physical transformation of iron sand into pig iron products, cast carbon steel products, and hot-rolled carbon steel products, where iron sand is the predominant feed material,—
“(a) involving the conduct of the following processes:
“(i) the—
“(A) chemical and physical transformation of iron sand into iron, which proceeds via the reduction of oxides of iron using carbon as the predominant reducing agent; and
“(B) conditioning or pre-treatment of molten iron to remove impurities, upstream of the steel-making process; and
“(ii) the—

- “(A) subsequent solidification of molten iron into pig iron; or
- “(B) chemical and physical transformation of molten iron and cold ferrous feed (for example, solid pig iron and ferrous scrap) into saleable cast carbon steel products or saleable hot-rolled carbon steel products (where the hot-rolling of the hot-rolled carbon steel products commences at over 800°C); and

“(b) where the outputs are—

- “(i) saleable pig iron products that are not subsequently used in the steel-making process;
- “(ii) saleable cast carbon steel products that are not subsequently hot-rolled;
- “(iii) saleable vanadium-bearing materials with a minimum vanadium concentration (expressed as V_2O_5) of 8%;
- “(iv) saleable hot-rolled carbon steel products

“**molten iron** means molten iron that has a maximum carbon (C) mass content of 6% and a minimum total iron (Fe) content of 94%.

“**24 Production of gelatine**

- “(1) The production of gelatine is an eligible industrial activity.
- “(2) The product produced by the production of gelatine that must be used as the basis of allocation is the total tonnes, on a dry-weight basis, of gelatine that is—
 - “(a) produced by carrying out the eligible industrial activity; and
 - “(b) of saleable quality.
- “(3) For the purposes of this regulation and the Schedule, **production of gelatine** means the physical and chemical transformation of collagen contained in animal material, including skins, bones, and connective tissues, where the output of the activity is gelatine with at least 97% protein content on a dry-weight basis.”

6 Schedule amended

The Schedule is amended by adding the items set out in the Schedule of these regulations.

Schedule
Items added to Schedule

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Manufacture of iron and steel from iron sand	High	Product A: 3.0705
		Product B: 0.11701
		Product C: 0.2712
		Product D: 0.1608
Production of gelatine	Moderate	6.413

Rebecca Kitteridge,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 23 September 2010, amend the Climate Change (Eligible Industrial Activities) Regulations 2010. The amendments prescribe an additional set of eligible industrial activities and their emissions intensity, their products, and their allocative baselines.

**Climate Change (Eligible Industrial Activities) Amendment Regulations
(No 2) 2010**

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These regulations are administered by the Ministry for the Environment.
