



## **Climate Change (Eligible Industrial Activities) Amendment Regulations (No 2) 2013**

Jerry Mateparae, Governor-General

### **Order in Council**

At Wellington this 25th day of November 2013

Present:

His Excellency the Governor-General in Council

Pursuant to sections 161A and 161B of the Climate Change Response Act 2002, His Excellency the Governor-General makes the following regulations, acting—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister for Climate Change Issues after complying with section 161F(1) of that Act.

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**Regulations**

- 1 Title**  
These regulations are the Climate Change (Eligible Industrial Activities) Amendment Regulations (No 2) 2013.
- 2 Commencement**  
These regulations come into force on 1 January 2014.
- 3 Principal regulations**  
These regulations amend the Climate Change (Eligible Industrial Activities) Regulations 2010 (the **principal regulations**).
- 4 Regulation 19 amended (Manufacture of carbon steel from cold ferrous feed)**  
Replace regulation 19(2) and (3) with:
- “(2) The products produced by the manufacture of carbon steel from cold ferrous feed that must be used as the basis of allocation are—
- “(a) product A, which consists of the total tonnes of continuously cast carbon steel products and ingots of carbon steel, whether or not subsequently hot-rolled, that—
- “(i) are produced by carrying out the eligible industrial activity of manufacture of carbon steel from cold ferrous feed; and
- “(ii) are not a relevant product; and
- “(iii) are of saleable quality; and
- “(b) product B, which consists of the total tonnes of long products of hot-rolled carbon steel that—
- “(i) are produced by carrying out the eligible industrial activity of manufacture of carbon steel from cold ferrous feed; and
- “(ii) are not a relevant product; and
- “(iii) are of saleable quality; and

- “(c) product C, which consists of the total tonnes of flat products of hot-rolled carbon steel that—
  - “(i) are produced by carrying out the eligible industrial activity of manufacture of carbon steel from cold ferrous feed; and
  - “(ii) are not a relevant product; and
  - “(iii) are of saleable quality.
- “(3) Long products of hot-rolled carbon steel and flat products of hot-rolled carbon steel may each be counted as a product only once in relation to the carrying on of the eligible industrial activity of manufacture of carbon steel from cold ferrous feed.
- “(4) 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 of less than 2%
  - “**flat products of hot-rolled carbon steel** means hot-rolled carbon steel products that—
    - “(a) are flat in profile, such as plate and hot-rolled coil; and
    - “(b) are generally produced in hot strip and plate mills; and
    - “(c) are generally at least 600 mm wide; and
    - “(d) are generally no thicker than 150 mm; and
    - “(e) are produced from continuously cast carbon steel products that are produced as part of carrying on the eligible industrial activity of either the manufacture of carbon steel from cold ferrous feed or the manufacture of iron and steel from iron sand
  - “**long products of hot-rolled carbon steel** means hot-rolled carbon steel products that—
    - “(a) are in coils or straight lengths; and
    - “(b) are generally produced in rod, bar, and structural (section) mills; and
    - “(c) are generally of a cross-sectional shape such as I, T, Y, U, V, H, C, L, square, rectangular, round, flat, hexagonal, angle, channel, structural beam profile, or rail profile; and
    - “(d) are produced from continuously cast carbon steel products that are produced as part of carrying on the eligible industrial activity of either the manufacture of carbon

steel from cold ferrous feed or the manufacture of iron and steel from iron sand

**“manufacture of carbon steel from cold ferrous feed—**

“(a) means the physical and chemical transformation of cold ferrous feed (for example, ferrous scrap, pig iron, and flat iron) by heating it and melting it into liquid steel and the subsequent casting of the liquid steel to produce 1 or more of the following:

“(i) continuously cast carbon steel products:

“(ii) ingots of carbon steel:

“(iii) hot-rolled carbon steel products that commence hot-rolling at a temperature higher than 800°C; and

“(b) includes the physical transformation of continuously cast carbon steel products into hot-rolled carbon steel products that commence hot-rolling at a temperature higher than 800°C where the continuously cast carbon steel products are produced at any other facility that conducts—

“(i) the eligible industrial activity of manufacture of carbon steel from cold ferrous feed; or

“(ii) the eligible industrial activity of manufacture of iron and steel from iron sand

**“manufacture of iron and steel from iron sand** has the meaning given to it in regulation 23(3)

**“relevant product** means a product that is used as a basis of allocation for the eligible industrial activity of manufacture of iron and steel from iron sand.”

## 5 Schedule replaced

Replace the Schedule with the Schedule set out in the Schedule of these regulations.

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**Schedule**  
**Schedule replaced**

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**Schedule**  
**Prescribed emissions intensity and  
allocative baselines**

	<b>Column A</b>	<b>Column B</b>
<b>Eligible industrial activity</b>	<b>Emissions intensity</b>	<b>Allocative baseline</b>
Aluminium smelting	High	10.1304
Manufacture of carbon steel from cold ferrous feed	High	Product A: 0.3693 Product B: 0.1470 Product C: 0.0940
Manufacture of iron and steel from iron sand	High	Product A: 3.2613 Product B: 0.1190 Product C: 0.2800 Product D: 0.1630
Production of burnt lime	High	1.4674
Production of carbamide (urea)	High	1.6245
Production of cartonboard	High	Product A: 1.1783 Product B: 0.4784 Product C: 0.3377
Production of caustic soda	High	1.6585
Production of cementitious products	High	Product A: 0.9615 Product B: 0.0234
Production of clay bricks and field tiles	Moderate	Product A: 0.2264 Product B: 0.8813 Product C: 0.2227
Production of cut roses	High	0.000991
Production of ethanol	Moderate	1.5076
Production of fresh capsicums	Moderate	3.6064
Production of fresh cucumbers	Moderate	3.4461
Production of fresh tomatoes	Moderate	2.6006
Production of gelatine	Moderate	6.4607
Production of glass containers	Moderate	0.5946
Production of hydrogen peroxide	High	1.3950
Production of lactose	Moderate	1.4323

Schedule—*continued*

<b>Eligible industrial activity</b>	<b>Column A Emissions intensity</b>	<b>Column B Allocative baseline</b>
Production of market pulp	High	Product A: 0.6215 Product B: 1.3812 Product C: 1.0463
Production of methanol	High	0.7854
Production of newsprint	High	Product A: 0.5035 Product B: 1.3662
Production of packaging and industrial paper	High	Product A: 0.4657 Product B: 0.5171 Product C: 0.0961
Production of protein meal	Moderate	0.9360
Production of reconstituted wood panels	Moderate	0.2134
Production of tissue paper	Moderate	Product A: 1.2176 Product B: 0.7896
Production of whey powder	Moderate	0.8526

Rebecca Kitteridge,  
Clerk of the Executive Council.

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**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 1 January 2014, amend the Climate Change (Eligible Industrial Activities) Regulations 2010. The amendments—

- amend regulation 19 (which concerns the eligible industrial activity of manufacture of carbon steel from cold ferrous feed) to prescribe the activity in the same manner as the equivalent Australian activity (*see* sections 161A(3)(b) and 161B of the Climate Change Response Act 2002); and

- replace the Schedule (which prescribes the emissions intensity and the allocative baselines for eligible industrial activities and their products) to reclassify the emissions intensity of the eligible industrial activity of manufacture of carbon steel from cold ferrous feed from moderate to high, and to update the allocative baselines for eligible industrial activities to reflect the inclusion of emissions from fugitive coal seam methane and the direct use of liquid fossil fuels in stationary equipment.

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Issued under the authority of the Legislation Act 2012.  
Date of notification in *Gazette*: 28 November 2013.  
These regulations are administered by the Ministry for the Environment.

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