

Statement of Position: Climate change policy

Climate change position

Contact Energy (**Contact**) knows that climate change is a real global challenge that will have significant impacts on our communities, our economy and our environment, so we're committed to taking real steps to address it, with a drive towards net-zero scope 1 and 2 emissions by 2035. We believe that human activity is accelerating climate change, so we are putting our energy where it matters by focusing on reducing our own emissions while supporting our customers and other sectors to reduce theirs. That's why we are focussed on decarbonising New Zealand through supporting industry to transition to low carbon fuels like electricity, investing in significant new renewable generation and the reviewing and ultimately retiring our thermal generation.

Paris Agreement goal

Contact supports the Paris Agreement's goal of limiting the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the increase to 1.5°C.

A science-based approach

Contact was the first electricity company in New Zealand to adopt Science-based Target Initiatives to independently measure our progress to decarbonise. We support a science-based approach to decarbonisation of the economy and believe that a science-based approach should guide mitigation actions and government policy on climate change.

He Pou a Rangi/Climate Change Commission 2021 report

New Zealand has committed to reaching net zero emissions of long-lived greenhouse gases by 2050 and reducing biogenic methane emissions between 24-47% by 2050. In 2021 New Zealand's He Pou a Rangi/Climate Change Commission published its [climate action advice](#) to the government detailing the paths to meet these climate targets.

Contact supports the report, which takes a rigorous science-based approach to assess New Zealand's current carbon trajectory. We agree that New Zealand must adopt the lowest cost mitigation opportunities to remain internationally competitive and minimise the impact to consumers, enterprises and businesses.

In particular, Contact agrees with the Commission that:

- New Zealand reach 95% renewable generation by 2035
- The government approach the New Zealand Battery Project (pumped hydro at Lake Onslow) cautiously in the face of lower cost, lower risk and less intrusive alternatives
- Gas will have a declining but important ongoing role in New Zealand's energy mix
- The Emissions Trading Scheme, with the right settings, is an effective market-based mechanism to price carbon and create incentives to decarbonise across New Zealand
- Geothermal has a strong future in New Zealand

Climate policy positions of trade associations

Contact is a member of the following three associations, which all support emissions targets in line with Paris Agreement goals, including the commitment to net zero. Contact's strategy is aligned with all three associations.

As part of our regulatory function we review and monitor the climate policy positions of our trade associations for consistency with the Paris Agreement goals, and ensure that our direct lobbying is similarly consistent.

In the event of any major misalignment on climate-related policy issues Contact would make an open submission to the association in question setting out its own position and commitments. If the two policy positions could not be reconciled, Contact would consider whether continued membership of the association was incompatible with its own position and may withdraw from the association.

Sustainable Business Council

New Zealand's [Sustainable Business Council](#) (SBC) mobilises New Zealand's most ambitious businesses to build a thriving and sustainable future for all.

The SBC's 2023 climate policy priorities, supported by its members, include measures to:

- Maintain and uphold the climate change response architecture;
- Accelerate action on climate adaptation while reducing emissions;
- Accelerate transport decarbonisation in both the light and freight fleets;
- Increase investment in infrastructure for decarbonisation and electrification; and
- Maintain momentum to reduce agriculture emissions

Together with over one hundred other businesses, Contact signed the SBC-backed [Climate Leaders Coalition](#) Statement of Ambition. The Statement recognises climate change as a critical business issue and commits signatories to measure, report on and reduce greenhouse gas emissions in line with Paris Agreement goals. Contact is committed to working together with other signatories to accelerate our transition towards a zero-carbon and climate resilient future.

Contact also set out its views on climate change opportunities in collaboration with business and government in [this subsequent article](#) .

The New Zealand Initiative

The New Zealand Initiative conducts independent research on a wide range of policy issues, including climate and environment-related issues. It supports emissions targets including the [commitment to net zero](#).

ERANZ

The Electricity Retailers' Association of New Zealand (ERANZ), [supports New Zealand's 2050 emissions reduction targets](#) , with a focus on how New Zealand can deliver a transition that achieves those emissions reductions at the lowest possible cost without leaving any households or businesses behind.