



Climate Change (Eligible Industrial Activities) Amendment Regulations 2010

Anand Satyanand, Governor-General

Order in Council

At Wellington this 9th day of August 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 the Climate Change Response Act 2002) and on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

- 1 Title**
These regulations are the Climate Change (Eligible Industrial Activities) Amendment Regulations 2010.
- 2 Commencement**
These regulations come into force on 12 August 2010.
- 3 Principal regulations amended**
These regulations amend the Climate Change (Eligible Industrial Activities) Regulations 2010.
- 4 New regulations 19 to 22 inserted**
The following regulations are inserted after regulation 18:
 - “19 Manufacture of carbon steel from cold ferrous feed**
 - “(1) The manufacture of carbon steel from cold ferrous feed is an eligible industrial activity.
 - “(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 cast carbon steel products, whether or not subsequently hot-rolled, that is—
 - “(i) produced by carrying out the eligible industrial activity; and
 - “(ii) of saleable quality;
 - “(b) Product B, which consists of the total tonnes of long products of hot-rolled carbon steel that is—
 - “(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 of less than 2%
- “**long products of hot-rolled carbon steel** means hot-rolled steel products in coils or straight lengths—
- “(a) that are—
- “(i) produced in rod, bar, and structural or section mills; and
- “(ii) characterised by having one of a variety of cross-sectional shapes (for example, I, T, Y, U, V, H, C, L, square, rectangular, round, flat, hexagonal, angle, channel, structural beam profile, or rail profile); and
- “(b) whose surface finish may be smooth or may contain ribs, grooves, indentations, or other deformations produced by the hot-rolling process
- “**manufacture of carbon steel from cold ferrous feed** means the physical and chemical transformation of cold ferrous feed (for example, ferrous scrap and pig iron) by heating and melting (for example, where electric power is used as the predominant energy source) into liquid steel, cast carbon steel products, and hot-rolled carbon steel products that commence hot-rolling at over 800°C, where the outputs include—
- “(a) cast carbon steel products that are not hot-rolled:
- “(b) long products of hot-rolled carbon steel.”

“**20 Production of cementitious products**

- “(1) The production of cementitious products is an eligible industrial activity.
- “(2) The products produced by the production of cementitious products that must be used as the basis of allocation are—
- “(a) Product A, which consists of the total tonnes, on a dry-weight basis, of Portland cement clinker produced by carrying out the eligible industrial activity:
- “(b) Product B, which consists of the total tonnes, on a dry-weight basis, of cement produced by carrying out the eligible industrial activity.

- “(3) For the purposes of this regulation and the Schedule, **production of cementitious products** means the physical and chemical transformation of calcium carbonate compounds (CaCO_3 , limestone) or other calcium carbonate (CaCO_3) feedstocks (**component A**) and clay or other silicon dioxide (SiO_2 , silica), iron (Fe), aluminium oxide (Al_2O_3 , alumina), and other feedstocks (**component B**) into cementitious outputs—
- “(a) that—
- “(i) involves the fusion of inputs together at a temperature greater than 1000°C into Portland cement clinker that consists of at least 60% by mass of calcium silicates, and a maximum magnesium oxide (MgO) mass content of 4.5% (**Process 1**); and
- “(ii) may involve the further transformation of this Portland cement clinker, produced as a result of Process 1, into cement through a process of blending and grinding with other suitable feedstocks (**Process 2**); and
- “(b) where the outputs are—
- “(i) Portland cement clinker that is suitable for the subsequent manufacture of cement specified in subparagraph (ii):
- “(ii) cement that complies with the relevant New Zealand Standards for cement (NZS 3122:2009, NZS 3123:2009, and NZS 3125:1991) and any other relevant international standards required for export cement consignments.

“**21 Production of clay bricks and field tiles**

- “(1) The production of clay bricks and field tiles is an eligible industrial activity.
- “(2) The products produced by the production of clay bricks and field tiles that must be used as the basis of allocation are—
- “(a) Product A, which consists of the total tonnes of facing bricks and pavers primarily used for facade and landscaping that is—
- “(i) produced by carrying out the eligible industrial activity; and

- “(ii) of saleable quality:
 - “(b) Product B, which consists of the total tonnes of field tiles and other clay-based products related to the fitting and joining of field tiles and drainage that is—
 - “(i) produced by carrying out the eligible industrial activity; and
 - “(ii) of saleable quality:
 - “(c) Product C, which consists of the total tonnes of fire bricks that is—
 - “(i) produced by carrying out the eligible industrial activity; and
 - “(ii) of saleable quality.
- “(3) For the purposes of this regulation and the Schedule, **production of clay bricks and field tiles** means the physical and chemical transformation of clays (including kaolinite and other clay minerals) by controlled mixing, forming, drying, and firing of the raw materials at a single location, where clay makes up at least 90% by weight of the raw materials (and additives to the clay do not exceed 10% by weight of the raw materials) and the clay composition includes alumina, silica, and varying degrees of metal oxides, where the outputs include—
- “(a) facing bricks and pavers primarily used for facade and landscaping:
 - “(b) field tiles and other clay-based products related to the fitting and joining of field tiles and drainage:
 - “(c) fire bricks, where these are produced from clays as the raw material and additives to the clays (including feldspar, silica, and other metal oxides).
- “22 **Production of glass containers**
- “(1) The production of glass containers is an eligible industrial activity.
 - “(2) The product produced by the production of glass containers that must be used as the basis of allocation is the total tonnes of blown and pressed glass containers 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 glass containers** means the physical and chemical transformation of silica (silicon dioxide (SiO₂)) and other raw and recycled materials (for example, cullet) to produce blown or pressed glass containers by controlled melting and forming in a contiguous process, where the outputs include blown and pressed glass containers.”

5 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 carbon steel from cold ferrous feed	Moderate	Product A: 0.3896 Product B: 0.1438
Production of cementitious products	High	Product A: 0.9392 Product B: 0.02266
Production of clay bricks and field tiles	Moderate	Product A: 0.2249 Product B: 0.8784 Product C: 0.2209
Production of glass containers	Moderate	0.5884

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 12 August 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.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 12 August 2010.

These regulations are administered by the Ministry for the Environment.
