National Direction for Greenhouse Gas Emissions from Industrial Process Heat

National | July 2023, updated March 2025

What is this national direction?

The Ministry for the Environment (MfE) has released two pieces of national direction that are beginning to impact consenting decisions for heating covered cropping operations (as well as manufacturing and processing of raw materials).

1. National Policy Statement (NPS) for Greenhouse Gas Emissions from Industrial Process Heat 2023

2. National Environmental Standards (NES) for Greenhouse Gas Emissions from Industrial Process Heat

Key provisions

Prohibitions:

- New coal-burning heat devices are prohibited if they operate below 300 degrees Celsius

- Existing coal-burning heat devices are prohibited starting 1 January 2037, unless there is an existing resource consent obtained before this national direction came into effect (27 July 2023)

Activities requiring consent:

- New heat devices (greenhouse gas emitting but not coal) operating below 300 degrees Celsius

- New and existing heat devices operating above 300 degrees Celsius

- Existing heat devices (greenhouse gas emitting from any fuel) operating below 300 degrees Celsius

These devices only require consent if the overall site emissions are greater than 500 tonnes of CO_2e from heat devices that burn fossil fuel and are not back-up heat devices.

Back-up heat devices do not require consent if they release less than 500 tonnes of CO_2 per site per year.

Emissions plans

Resource consent applications will require **emissions plans** that set out actions to reduce emissions from the consented activity (for example, improving energy efficiency). Emissions plans are meant to encourage, over time, best practices in energy efficiency and the transition from heat devices which burn fossil fuels to those with fewer emissions.

Emissions plans must include:

- The purpose of the activity,
- The number of heat devices on site (that are not back-up heat devices), their age and fuel source,
- The thermal energy produced by the heat devices, separated by fuel source,
- If the heat device is new, an assessment of any technically feasible and financially viable lower emissions alternatives,
- An assessment of the best practical option to reduce greenhouse gas emissions,
- An assessment of any available energy efficiency improvements,
- Whether, and how, these improvements will be made, and
- A transition pathway showing how the grower will reduce emissions with an **appropriate** emissions reduction target, based on the scale, type and specific circumstances of the growing operation. *This target does not have to be to zero emissions.*

How councils decide on consent applications

Under the NPS, when evaluating emissions plans, consent authorities must consider how the emissions plan reflects changes in technology and best practice.

Councils also have to consider the cumulative effects of consenting discharges of greenhouse gas emissions from process heat, meaning that they will consider the emissions from all of the heat devices on the site – not just the emissions from one particular device up for consent.

Under the NES Regulations, Councils' decision making when deciding whether to consent a **new** device is restricted to certain considerations. This includes the assessment of whether there is any **technically feasible and financially viable** low-emissions alternative to the heat device under review. For the Council to say there is a suitable alternative, that alternative must:

- provide equivalent heating while discharging lower emissions,
- be appropriate considering the technical knowledge of the applicant (grower) and the alternative's likelihood of success, and

- be financially viable considering capital and operating costs and financial benefits over a 20-year period.

When deciding whether to consent a **new or existing** heat device, the Council can also consider:

- the best practical option to prevent or minimise discharges of greenhouses gases,
- available energy efficiency improvements,
- emissions reduction targets for the activity,
- the content of the emissions plan for the activity,
- requirements for the grower to monitor and report on emissions to the council,
- the timeframe for the council to review the conditions of the resource consent.

Suitably Qualified Person requirement

If the growing operation is a "high-emissions site", emitting more than 2,000 tonnes of CO_2e per year from heat devices, the grower must have their emissions plan reviewed by a "suitably qualified person". Consent applications from sites emitting fewer emissions do not have this requirement.

A suitably qualified person must have expertise in the technology of industrial process heat and greenhouse gas emissions reduction. They must be qualified to provide an independent review.

Consent conditions

If a consent is granted, councils must put at least the following conditions on the consent:

- The consent holder (grower) must adopt the best practical option to prevent or minimise greenhouse gases as assessed by the consent authority,
- The grower must comply the emissions plan, and
- The grower must monitor their compliance with the emissions plan, including any emissions reduction targets, and report this to the council.

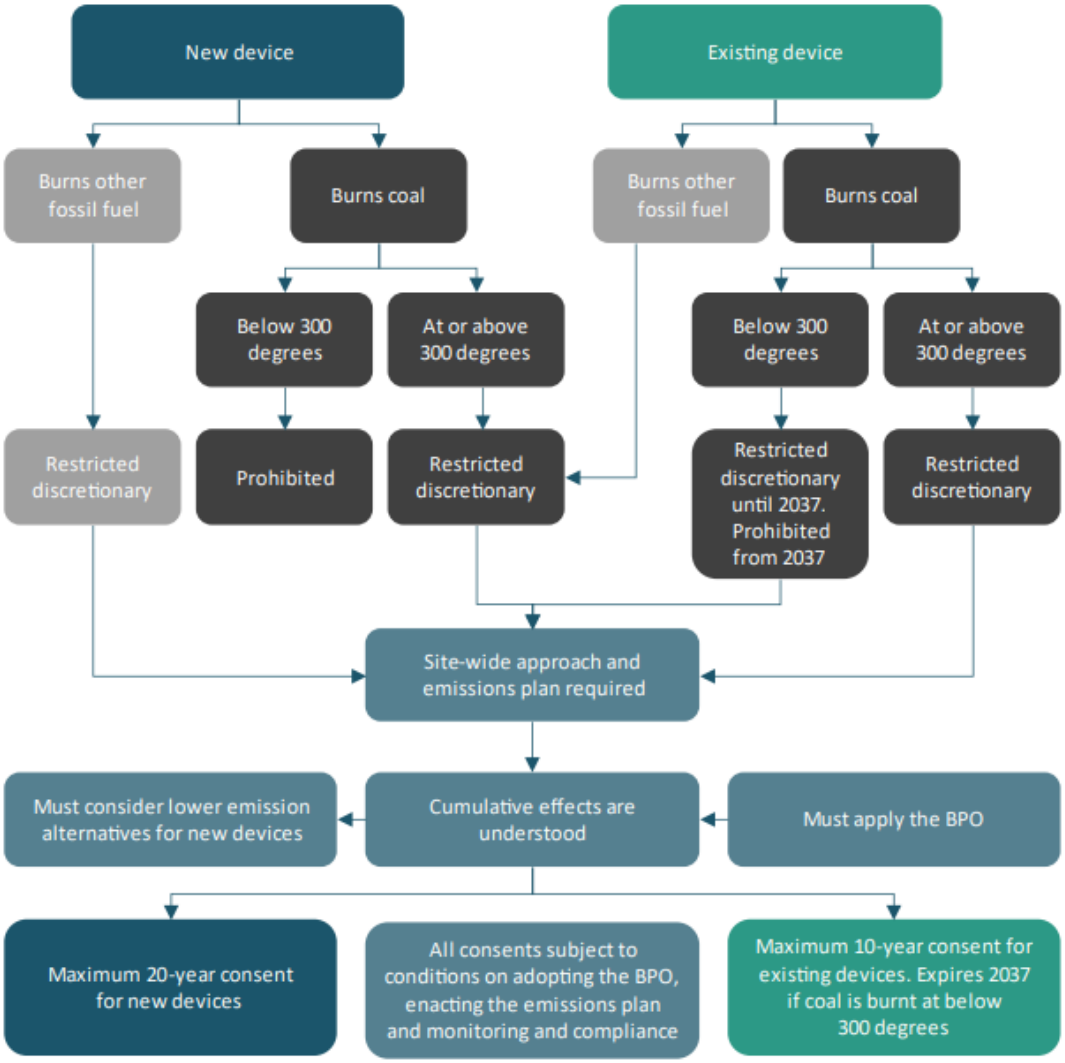
WHERE TO GO FOR MORE INFORMATION

- Talk to a qualified resource management planner for help with your consent application.
- Ministry for the Environment – Industry factsheet
- Ministry for the Environment – National policy statement
- Ministry for the Environment – National environmental standards

Consent pathway diagram

The following chart from MfE shows the consenting pathway for new and existing heating devices.

Figure 1: Consent pathway



BPO = Best practicable option.

Source: Ministry for the Environment. "National Direction for Greenhouse Gas Emissions from Industrial Process Heat: Industry factsheet". 29 June 2023.