

Don't panic, emissions expert tells NZUs sellers

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There are still opportunities for foresters looking to sell NZUs, says Kensington Swan partner Bryan Gundersen.

Gundersen, an expert in energy and climate change, is advising his clients not to panic over the fact that the new government has put the emissions trading scheme on hold and is considering shifting to a carbon tax.

"Businesses need not throw their hands up in horror – especially as many opportunities still exist, including those planning on buying and selling NZUs," he said.

Foresters and other owners of credits could still sell NZUs as call options, or to the voluntary market, he says.

"These opportunities still reside in the emissions trading space as forest owners can sell call options to purchase NZUs, which can be called on or let go once regulatory certainty is obtained, and buyers can trade them pending regulatory certainty.

"There are also opportunities in the voluntary–offset market" Gundersen said.

Gundersen says that he expects that the new government will eventually go with an emissions trading scheme.

"A modified emissions trading scheme will still be the most likely outcome from the proposed select committee review," he said.

"Any National government will likely follow the Australian lead which is to implement an emissions trading scheme across the Tasman by 2010."

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Bryan Gundersen ...
modified ETS likely
outcome.