



Approval to lodge: Approval to consult on the annual update to NZ Emissions Trading Scheme limit and price control settings for units

Date Submitted:	16 August 2022	Tracking #: BRF-1996	
Security Level:	Policy and Privacy In-Confidence	MfE Priority:	Urgent

	Actions sought:	Response by:
Hon James SHAW Minister of Climate Change	Approval in principle to lodge the attached Cabinet paper Provide any further feedback on attached documents Note talking points will be provided early next week	Wednesday 17 August

Actions for Minister's Office Staff	Return the signed report to MfE.
Number of appendices and attachments #4	1. Cabinet Paper – tracked changes: <i>Approval to consult on the annual update to New Zealand Emissions Trading Scheme limit and price control settings for units</i> 2. Cabinet Paper – clean: <i>Approval to consult on the annual update to New Zealand Emissions Trading Scheme limit and price control settings for units</i> 3. Discussion document – tracked changes: <i>Proposed changes to New Zealand Emissions Trading Scheme Limit and Price Control Settings for Units 2022</i> 4. Discussion document – clean: <i>Proposed changes to New Zealand Emissions Trading Scheme Limit and Price Control Settings for Units 2022</i>

Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Dave Hodson		
Responsible Manager	James Coombes	027 278 5165	✓
Director	Hemi Smiler		

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1. This briefing seeks in principle approval to lodge the Cabinet paper: *Approval to consult on the annual update to New Zealand Emissions Trading Scheme limit and price control settings for units* (attached) for the Cabinet Economic Development Committee (DEV) meeting on 24 August 2022.
2. You approved the Cabinet paper and associated discussion document for Ministerial consultation on 4 August. Since then, changes have been made to both documents.
3. Changes have been made to:
 - a. respond to comments from the Ministry's regulatory impact assessment panel provided as part of its assessment of whether the discussion document meets the requirements of an interim regulatory impact statement
 - b. ensure consistency between the Cabinet paper and the discussion document
 - c. address additional feedback from agencies, as foretold in BRF-1963 last week.
4. Tracked changes and clean copies of the Cabinet paper are in appendices 1 and 2; tracked changes and clean copies of the discussion document are in appendices 3 and 4. These near final papers are provided for your review, and to inform your decision on approval in principle to lodge.
5. As agreed with your office late last week, minor editorial fixes have not been tracked.
6. It is possible that additional feedback from Ministerial consultation will be provided between now and lodgement on Thursday. For this reason, we are seeking in principle approval to lodge, with final approval to be arranged in communication with your office before 10am this Thursday.
7. Cabinet approval to consult on the proposed changes to regulations for the New Zealand Emissions Trading Scheme is needed now to ensure sufficient time for consultation and to ensure the amended regulations are published in the New Zealand Gazette no later than the end of 2022.

Recommendations

We recommend that you:


- a. **Agree** in principle, and pending any further updates arising from Ministerial consultation, to lodge the Cabinet paper: *Approval to consult on proposed changes to regulations for the New Zealand Emissions Trading Scheme 2022* prior to 10am on Thursday 18 August for consideration at the Economic Development Committee (DEV) meeting on 24 August 2022.
- b. **Provide** any further feedback you have on the attached Cabinet paper and discussion document.
- c. **Note** talking points will be provided early next week.

Yes/No

Yes/No

Signature

James Coombes Manager – ETS Policy Climate Change Directorate	Approved electronically
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Hon James SHAW Minister of Climate Change	
Date	16/8/22

Appendix 1: Cabinet Paper – tracked changes:
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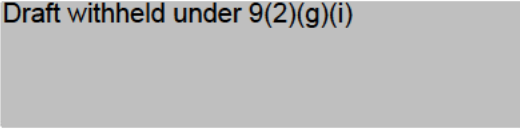
Draft withheld under 9(2)(g)(i)

Appendix 2: Cabinet Paper – clean: *Approval to consult on the annual update to New Zealand Emissions Trading Scheme limit and price control settings for units*

Draft withheld under 9(2)(g)(i)

Appendix 3: Discussion document – tracked changes: *Proposed changes to New Zealand Emissions Trading Scheme Limit and Price Control Settings for Units 2022*

Draft withheld under 9(2)(g)(i)



Appendix 4: Discussion document – clean: *Proposed changes to New Zealand Emissions Trading Scheme Limit and Price Control Settings for Units 2022*

Draft withheld under 9(2)(g)(i)