

19-D-01034

s 9(2)(a)

Sustainability Council

s 9(2)(a)@sustainabilitynz.org

Dear s 9(2)(a)

Thank you for your email of 1 July 2019 requesting the following under the Official Information Act 1982 (the Act):

1. Projections of the numbers of units issued and surrendered under the ETS as currently set (in legislation and regulation). I seek year by year estimates out to 2050, and a breakdown of the inward and outward flow of units by category for each year.
2. Projections of the future flow of units under the ETS. I am not expecting any documents to be released to me, however I would like an OIA response with respect to the period from now to 2030 to formally explain why work in progress is not being released. So for clarity, I am seeking a response covering:
 - Just government generated (not government commissioned) work
 - Only for the period between now and 2030
 - The titles/one line descriptions of any models to understand what they target - noting that I am requesting this for models only and not any associated documents, and noting these may be only models under construction rather than completed models
 - The reasoning for refusal of release.

The Ministry for the Environment has identified that a spreadsheet prepared for Budget 2019, which forecasts NZ ETS unit flow is in scope of this request. The Ministry has decided to publicly release this information see the 'Market fundamentals' tab at www.mfe.govt.nz/ets/market-info-portal. Some out of scope information has also been removed from the spreadsheet.

The Ministry will also publicly release sector specific emissions projections to 2050 which was collated to inform modelling on the 2050 target for the Climate Change Response (Zero Carbon) Bill (ZCB), see www.mfe.govt.nz/climate-change/emissions-reduction-targets/our-targets-and-emissions-projections.

It is important to note that this information was based on current settings at the time the data was prepared. They do not include Cabinet policy decisions that have since been made. For more information on the settings in place at the time of the projections, as well as the assumptions used, please refer to New Zealand's Seventh National Communication and Third Biennial Report. See www.mfe.govt.nz/climate-change/climate-change-and-government/progress-towards-our-international-climate-change.

While the Government is establishing a 2050 target through the ZCB, the target itself does not determine how the transition will be managed. Policies will need to be developed to help guide the transition, through both the NZ ETS and wider policies. Ministries will develop impact analyses to help inform these policy decisions.

The ZCB is expected to establish emissions budgets, which will act as stepping stones towards the 2050 target, and also establish an independent Climate Change Commission. The first emissions budget is expected to be set in 2021, for 2022-2025. Prior to the first emissions budget being set the Government is developing a provisional emissions allowance (PEA) for 2020-2025, to help inform policy decisions in the short-term.

As part of developing the PEA officials will need to develop and improve on forecasts of NZ ETS unit flow. We are unable to provide forecasts of NZ ETS unit flow in relation to the PEA (which is the subject of the second half of your request) at this stage. Modelling of NZ ETS unit flow is still being developed and has not gone through any review processes, or to Ministers. Officials expect Ministers to consider this information as part of advice on settings for the PEA, expected to be provided later this year. Public consultation on NZ ETS settings is likely to follow this.

Information on the PEA can be found in the [Proposed Climate Change Bill](#) and the [Amendments to the Climate Change Response Act 2002: tranche one](#) Cabinet papers.

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our website on our [OIA responses page](#) shortly after the response has been sent.

If you have any queries about this, please feel free to contact our Executive Relations team.

Yours sincerely



Roger Lincoln
Director, Climate Change