



Climate Weekly Update

Pūrongo Ahuarangi ā-Wiki

For the week beginning 9 September 2024

Hon. Simon Watts, Minister of Climate Change

Copy to: Hon. Nicola Willis, Associate Minister of Climate Change

Key Updates

Meridian pauses Southern Green Hydrogen

MBIE has advised Minister Brown that, on 28 July, as part of its annual earnings report, Meridian announced it would put the Southern Green Hydrogen project on hold and that it had ended its partnership with Woodside Energy.

Southern Green Hydrogen was a proposed partnership between Meridian, Woodside Energy, and Mitsui (with an option for Murihiku Regeneration on behalf of Ngāi Tahu to join later) to develop a 600MW hydrogen facility for large-scale export. Meridian and Contact initially explored the concept in response to the risk of the New Zealand Aluminium Smelters exiting and stranding excess electricity from the Manapouri Dam. Potential export customers include Japan, Korea, Singapore, and Germany.

The annual earnings report notes that *“the economics of producing green hydrogen at scale in New Zealand have become more challenging and this is consistent with what we are seeing in other hydrogen projects overseas.”* Meridian had previously indicated if NZAS remained, it could explore smaller-scale modular hydrogen production for export using onshore wind. Murihiku Regeneration has signalled it will continue to explore renewable energy projects in the Southland region.

MBIE has responded to media questions on the \$100 million Regional Hydrogen Transition scheme funded in contingency at Budget 2023 and disestablished at Budget 2024. The scheme’s focus was on hydrogen for domestic rather than export use.

Business Group: Climate Change Mitigation and Resource Efficiency

Owner: Hemi Smiler, 9(2)(a)

New Zealand and International Carbon Markets

New Zealand carbon market: On 3 September, the NZU price closed at \$61.50. This represented a 2% increase from the previous week and a 19.05% increase from a month ago. Jarden reported a weekly trading volume of 763,000 units, with a total of 3,626,700 units traded in August - their second-highest monthly volume on record (behind March 2024). The third auction for 2024 took place on 4 September. As with the June auction there were no bids. This result was widely expected, with commentary ahead of the auction emphasising the secondary market price had remained below the auction floor price of \$64.

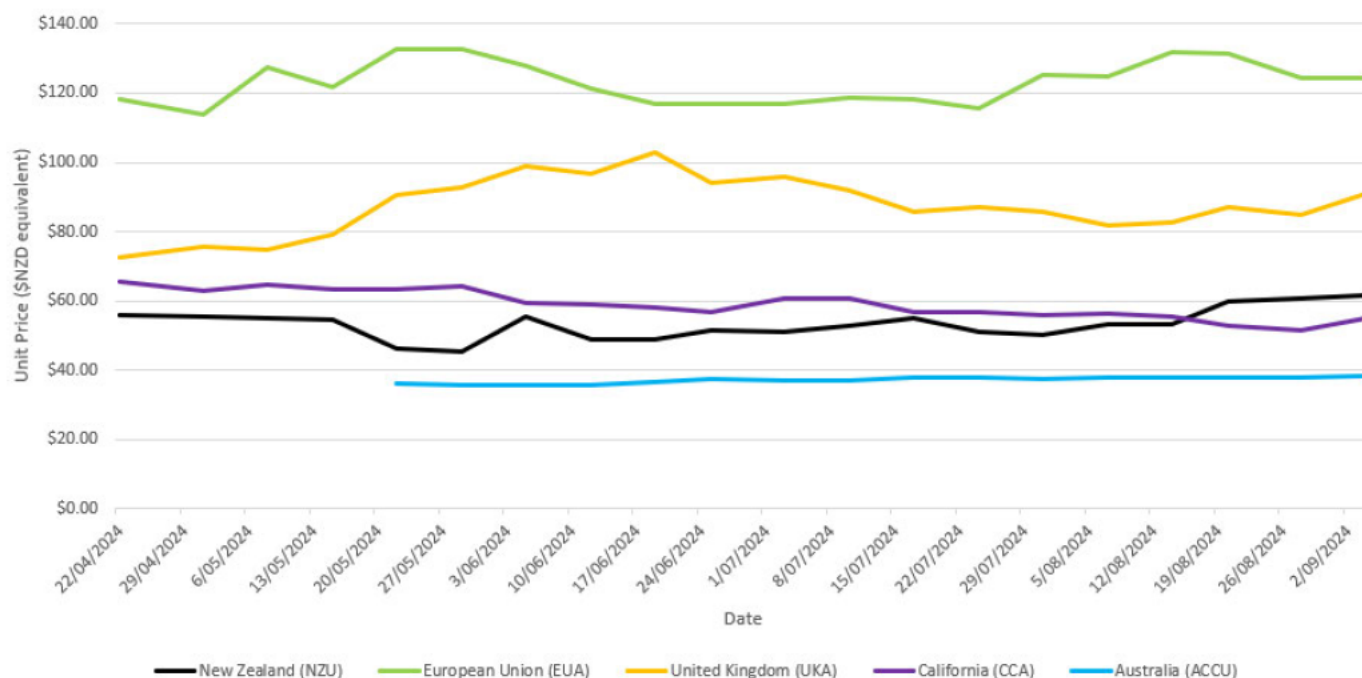
EU and UK carbon markets: European carbon prices remained unchanged week-on-week with EUAs trading at €69.60. Market commentary however highlighted volatility, with prices falling back after a sharp rise earlier in the week. Commentary also noted reduced selling activity as the US markets were closed, and that the EU have begun auctioning a higher number of carbon allowances each day due to a revised auction schedule that will be in place for the remainder of the year. The commentary also highlighted that the European energy markets saw a drop in prices following a sharp increase at the end of last week. UK carbon prices saw a 7% week-on-week increase. Commentary reported that the recent price increase was driven by a decrease in wind power generation and an increased reliance on gas.

Australia carbon market: Australian carbon prices have remained static week-on-week, with an increase of less than 1% to \$35.05 (AUD). Market commentary reported that there was elevated trading, with 1 million units traded last week, across both spot and forward markets. This saw ACCU prices reaching a 5-month high for the second consecutive week.

Table: Current emission unit prices

NZ, Europe, UK, California and Australia emission unit prices as at 3 September 2024 (NZD)				
NZU	EUA	UKA	CCA	ACCU
\$61.50	\$124.29 (€69.60)	\$90.96 (£42.75)	\$54.83 (\$USD 34.54)	\$38.10 (\$AUD 35.05)

Chart: International emissions prices



Business Group: Climate Change Mitigation and Resource Efficiency

Owner: Susan Baas, 9(2)(a)

Upcoming Estimates Debate – Environment and Climate Change

The Climate Change Estimates Debate was rescheduled and will now occur on 17 September, with the Environment Estimates Debate scheduled for 18 September. In both instances, the debates are set down for 60 minutes.

You will lead the Climate Debate. Minister Simmonds (as Vote Minister) will lead the Environment Debate with Minister Bishop and Minister Hoggard also present.

Form of the debate

The Chair of the Environment Committee will start the debate by summarising the [Committee's Report on the Vote](#). Lead Ministers will have the first right of reply following the Chair's report and this is an opportunity to address any matters highlighted by the Committee in their report, front foot new or emerging issues, share portfolio announcements and any other messages.

Members from across the House will take calls, stand and share their views and positions in respect of issues within the portfolio. They will also pose questions to the Ministers in attendance. After each call, the relevant Minister will have the right of reply.

Support from the Ministry

Your office has received an A3 and talking points to support your participation in the debate. Officials will be present in the chamber during the debate to pass you notes, if necessary.

Business Group: Office of the Chief Executive

Owner: Martin Workman, 9(2)(a)

Upcoming Briefings for Minister Watts

Papers sent to the Minister in the last seven days and due to the Minister in the following 3 weeks
As at 1pm 4 September 2024

Tracking Number	Title	Purpose	Responsible General Manager / Chief Advisor	Title Suitable for Proactive Release?	Date due to Minister
BRF-5179	Biodiversity credits market workstream: proposed next steps	Proposes targeted private sector engagement on options for a market led approach to unlock private financing for nature. Outlines an approach, a list of stakeholders, and draft collateral for feedback.	Hayden Johnston	Y	Sent 26 August
BRF-5183	Draft LEG paper: NZ ETS unit settings and SGG Levy updates 2024	Provides Draft LEG paper to authorise submission of regulations on NZ ETS unit settings, SGG Levy updates and other ETS regulations and seeks approval to begin Ministerial consultation.	Mark Vink	Y	Sent 29 August
BRF-5284	Vote Environment Performance Plan	Provides information to support conversations around the development of the Vote Environment Performance Plan	Arun Patel and Kathleen Mackie	Y	Sent 5 September
BRF-5280	Pre-1990 forests in the Emissions Trading Scheme	Provides advice on how pre-1990 forests are handled in the ETS and the impact of severe weather events	Mark Vink	Y/N	Sent 5 September
BRF-4969	High level options for improving the environmental data system	Provides the next iteration of the improving environmental data work programme.	Clare Barton	Y	5 September

		9(2)(f)(iv)			
BRF-5256	Proactive Release of Cabinet papers and associated minutes related to the Methane Science and Target Review	Seeks approval to proactively release materials relating to the methane science and target review proposal.	Hemi Smiler	Y/N	5 September
BRF-5251	Kidney-Orr Roundtable	Provides context and talking points for the upcoming roundtable scheduled with industry stakeholders and convened by Toitū Tahua: Centre for Sustainable Finance and the Reserve Bank of New Zealand.	Hemi Smiler	Y/N	5 September
BRF-5217	Draft response to Climate Change Commission's Emissions Reduction Monitoring report	Seeks feedback on the draft response to the Climate Change Commission's Emissions Reduction Monitoring report.	Lisa Daniell	Y	6 September
BRF-5231	Joint Environment Ministers meeting on improving environmental data system	Supports the joint Environment Ministers meeting on 11 September.	Katherine Wilson	Y/N	6 September
BRF-5279	IRG advice on adaptation framework	Provides IRG's advice on adaptation framework.	Katherine Wilson	Y/N	6 September
BRF-5208	Managing farm conversions to exotic forestry – targeted engagement	Provides details on next steps and options for targeted engagement.	Mark Vink	Y/N	9 September
BRF-5138	ERP Implementation and Risk Management	Provides advice on monitoring, governance and accountability issues key to implementing ERP2.	Hemi Smiler	Y	12 September
BRF-5253	NZ ETS and the final ERP2	Seeks feedback on the draft "Strengthening the NZ ETS" chapter of ERP2.	Mark Vink	Y/N	12 September
BRF-5025	Review of the amendment to the first emissions reduction plan	Provides draft material for feedback prior to Ministerial consultation.	Lisa Daniell	Y	12 September

BRF-5163	Progressing Māori Climate Action	Provides a pathway forward to progressing Māori climate action under the Māori climate platform.	Hakarangi Tichborne	Y	12 September
BRF-5264	Meeting with the Climate Change Commission 16 September 2024	Supports meeting with the Climate Change Commission Chair and Chief Executive	Martin Workman	Y/N	12 September
BRF-5266	Next steps for the adaptation framework	Seeks approval for the sequencing of the next steps for the adaptation framework	Katherine Wilson	Y/N	12 September
BRF-5254	Talking points for industrial allocation Cabinet paper	Provide talking points to support presentation of the industrial allocation and NZ Steel Cabinet paper at Cabinet ECO Committee on 11 September	Mark Vink	Y/N	12 September
[REDACTED]	[REDACTED]	9(2)(f)(iv) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	9(2)(f)(iv) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
BRF-5276	Strengthening Māori Rights and Interests in the Second Emissions Reduction Plan	Provides final recommendations to the Minister of Climate Change on how to meet the Crown's obligations to Māori under the Climate Change Response Act and the Treaty of Waitangi in the Emissions Reduction Plan 2	Hemi Smiler	Y/N	17 September
[REDACTED]	9(2)(f)(iv) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

	9(2)(f)(iv)				
BRF-5267	The Climate Change Commission's Quarter Four 2023/24 Performance Report	Provides advice on the Climate Change Commission's performance in quarter four 2023/24	Martin Workman	Y/N	19 September
BRF-5270	Final allocative baselines for industrial allocation 2024	Seeks approval to issue drafting instructions for amendment regulations	Mark Vink	Y/N	19 September
BRF-5234	Interim policy decisions on National Direction for Natural Hazards	Seeks interim policy decisions on National Direction for Natural Hazards	Katherine Wilson	Y/N	19 September
BRF-5004	Policy direction of the Carbon Neutral Government Programme	Provides options for the future of the programme and seeks final decisions.	Hemi Smiler	Y	26 September
BRF-5246	Proposed protocol for market sensitive releases	Provides a proposed protocol for the Government's announcements and other releases of market sensitive information into the New Zealand carbon market	Mark Vink	Y	3 October

Cabinet Papers

As at 1pm, 4 September 2024

Tracking Number	Title	Description	Committee	Responsible General Manager	Date due to Minister's Office	Lodgement Date	Date of Committee Meeting	Date of Cabinet Meeting
[REDACTED]	[REDACTED]	9(2)(f)(iv) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	9(2)(f)(iv)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CAB-463	Response to the Climate Change Commission's Emissions Reduction Monitoring Report	Seeks Cabinet's agreement to the Government's response to the Climate Change Commission's Emissions Reduction Monitoring Report.	CBC	Lisa Daniell	25 September	26 September	30 September	14 October
[REDACTED]	[REDACTED]	9(2)(f)(iv)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Official Information Act Requests for Minister Watts

As at 1pm, 4 September 2024

Tracking Number	MO Tracking Number	Request	Correspondent	Organisation	Date due to Minister's Office	Date due to Requestor
OIAM-608	MOIA-104-24	Request for list of briefings – BRF-4344 and BRF-4609.	9(2)(a)	Newsroom	3 September	10 September
OIAM-561	MOIA-068-24	Request for BRF-4533: Additional CERF savings, implications, and next steps.		Newsroom	5 September	12 September
OIAM-613	MOIA-115-24	Request for briefings and their drafts – BRF-5033.		Opposition	11 September	18 September
OIAM-616	Not provided	Information supporting the statement that climate change is causing more frequent storms.		9(2)(a)	11 September	18 September
OIAM-607	MOIA- 107-24	Correspondence with Prime Minister and Minister Watts about ERP2, Paris Agreement, CCC Monitoring report.		Opposition	12 September	19 September
OIAM-619	Not provided	Expected timeline for financial report back on inquiry into climate adaptation.		9(2)(a)	19 September	26 September
OIAM-576	MOIA-026-24	Request for copies of Weekly Updates.		Generation Zero NZ	20 September	27 September
OIAM-623	MOIA-122-24	Request for briefings.		Opposition	24 September	1 October
OIAM-624	MOIA-123-24	Request for CAB-446.		Opposition	24 September	1 October
OIAM-625	MOIA-124-24	Request for ETS Cabinet papers.		Opposition	24 September	1 October
OIAM-628	MOIA-126-24	Copies of briefings referred to in response to WPQ 51547 (2024).		Private Individual	24 September	1 October
OIAM-600	MOIA-102	Briefings request for BRF-5092, BRF-5108 and Climate Weekly Update 29 July.		Opposition	25 September	2 October

Ministerial Correspondence Update

As at 1pm, 4 September 2024

Minister Watts:

We are preparing responses to 2 pieces of correspondence providing feedback on the Second Emissions Reduction Plan discussion document.

Written Parliamentary Question Update

As at 1pm, 4 September 2024

Minister Watts:

We are preparing responses to written parliamentary questions about litigation concerning New Zealand's climate mitigations, section 30GC (2)(a) of the Climate Change Response Act 2002, New Zealand's greenhouse gas emissions profile, the emissions impact of liquified natural gas importation, New Zealand's first Biennial Transparency Report, and advice received, and papers taken to Cabinet and Cabinet committees in August.

Minister Willis:

We are preparing responses to written parliamentary questions about advice received in August.

Key Dates

Upcoming Chief Executive and Deputy Secretary Acting Responsibilities

Staff member	First day of absence	Last day of absence	Acting arrangements
Anne Haira	9 September	4 October	Sara Clarke
Gina Rangi	9 September	16 September	Hakarangi Tichborne
Laura Dixon	6 September	20 September	Arun Patel