



Climate Weekly Update

Pūrongo Ahuarangi ā-Wiki

For the week beginning 16 September 2024

Hon. Simon Watts, Minister of Climate Change

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

Key Updates

New Zealand and International Carbon Markets

New Zealand carbon market: The NZU price was unchanged from the previous week closing at \$61.50 on 9 September. Jarden reported strong weekly trading volume of 858,500 spot NZUs and 150,000 NZUs in derivatives. Market commentary following last week’s auction reported a general lack of surprise at the result and focused on the unsold units entering the final auction of 2024 on 4 December.

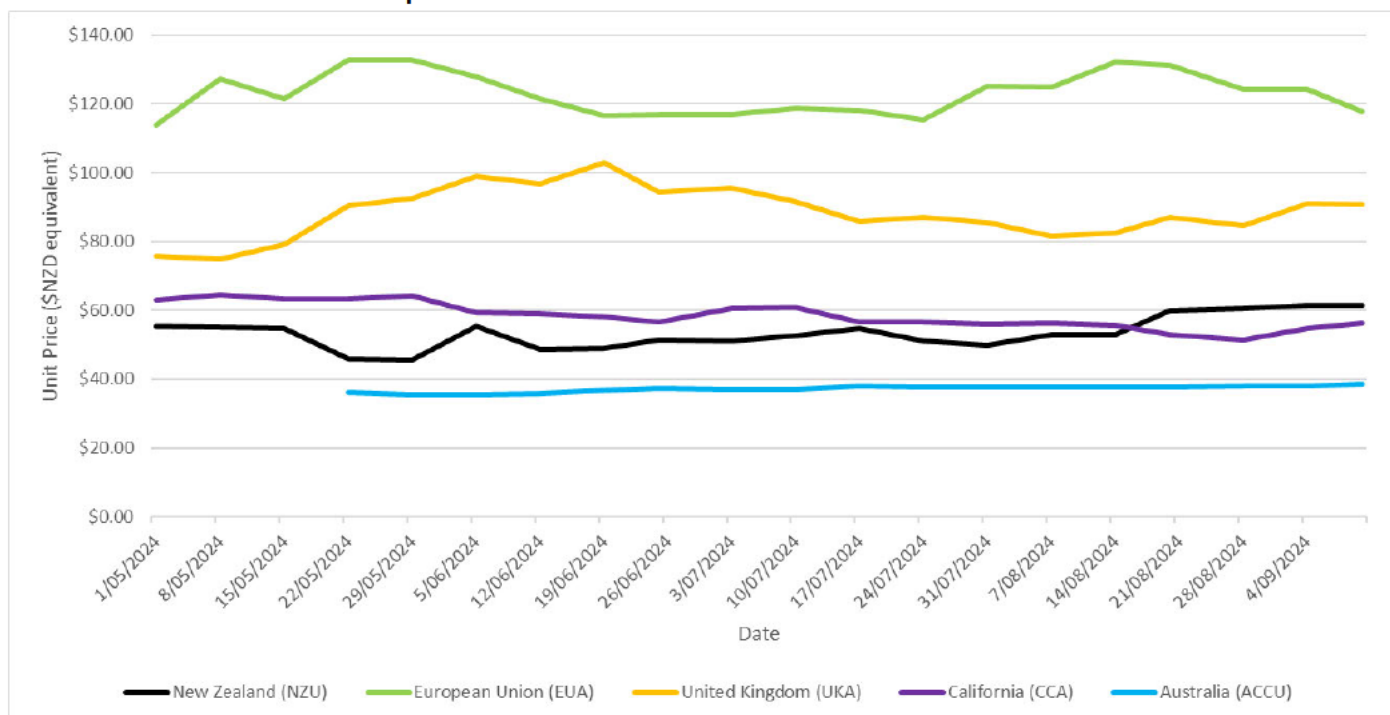
EU and UK carbon markets: European carbon prices decreased by 5% week-on-week with EUAs trading at €66.00. Market commentary noted that carbon prices fluctuated in line with natural gas prices on 9 September. UK carbon prices remained static week-on-week with less than a 1% decrease, trading at £42.63. Commentary reported that the minor adjustment to the UK allocation plan for 2024 may help support the market. Commentary also noted that UKAs rallied in August due to policy indications that the new UK government would take climate ambition more seriously.

Australia carbon market: Australian carbon prices have remained static week-on-week, with an increase of less than 1% to \$35.40 (AUD). Market commentary reported that there was another surge in trading activity, with total volumes across both spot and forward markets reaching their highest weekly levels since 2023.

Table: Current emission unit prices

NZ, Europe, UK, California and Australia emission unit prices as at 10 September 2024 (NZD)				
NZU	EUA	UKA	CCA	ACCU
\$61.50	\$117.86 (€66.00)	\$90.70 (£42.63)	\$56.41 (\$USD 34.41)	\$38.48 (\$AUD 35.40)

Chart: International emissions prices



Business Group: Climate Change Mitigation and Resource Efficiency

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

Market Governance targeted engagement

We will shortly commence targeted engagement on the ETS Market Governance project. We will engage with around 25 New Zealand carbon market stakeholders. The stakeholders will be asked a set of questions, with the option to meet us to discuss. Their feedback will support policy advice ahead of the Cabinet paper seeking final market governance policy decisions later this year.

Business Group: Climate Change Mitigation and Resource Efficiency

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

Australian Adaptation Working Group (AWG): Australian Government Update on Adaptation

New Zealand Government officials are invited as observers to regular meetings of the AWG that brings together Australian Commonwealth and State Government officials. These meetings are an opportunity to learn lessons from each other and identify areas for future potential collaboration.

The Australian National Climate Change Risk Assessment (NCCRA) 6(b)(i)

A first pass assessment identified 56 nationally significant risks facing Australia. Work is currently underway on a more detailed, quantitative analysis of 11 priority risks including urgency ratings. There is an opportunity to learn from progress in Australia as the Climate Change Commission works on New Zealand's 2nd Climate Change Risk Assessment due in 2026.

The Australian Climate Service (ACS) was established in July 2021 to address Australia's growing need for robust climate information. An independent review of the ACS was published in June 2024. The review made 11 recommendations. These included the transfer of emergency support functions to the National Emergency Management Agency (NEMA) and the need for the ACS to take a more practical service-oriented approach. A portal for climate products and services was also recommended.

Business Group: Environmental Management and Adaptation

Owner: Emma Corbett, 9(2)(a)

9(2)(f)(iv)

9(2)(f)(iv)

9(2)(f)(iv)

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 11 September 2024

Tracking Number	Title	Purpose	Responsible General Manager / Chief Advisor	Title Suitable for Proactive Release?	Date due to Minister
BRF-5277	Draft Cabinet Paper: Enabling Carbon Capture and Storage	Seeks decisions on an enabling regime for carbon capture and storage (CCS).	Mark Vink	N	Sent 3 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	Sent 5 September
BRF-5279	IRG advice on adaptation framework	Provides IRG's advice on adaptation framework.	Katherine Wilson	N	Sent 6 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	Sent 9 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	Sent 10 September
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	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
		9(2)(f)(iv)			
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-5254	Approval to lodge industrial allocation Cabinet paper	Seeks approval to lodge the industrial allocation and NZ Steel Cabinet paper at Cabinet ECO Committee on 18 September.	Mark Vink	Y/N	12 September
BRF-5269	Managing farm conversions to exotic forestry - permits	Provides details for how permit system for LUC 6 allocation may work.	Mark Vink	Y/N	12 September
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
BRF-5332	Update on New Zealand's first Biennial Transparency Report	Provides background information on the BTR and an	Jonathan Ryan	Y	18 September

		update on the status of the report.			
BRF-5318	Out-of-cycle funding letter to the Minister of Finance	Seeks signature of a letter to the Minister of Finance regarding industrial allocation to NZAS.	Mark Vink	N	18 September
		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
		9(2)(f)(iv)			
		9(2)(f)(iv)			
BRF-5156	Waste in the second emissions reduction plan: consultation summary and final policies	Provides a summary of waste sector feedback from the second emissions reduction plan (ERP2) consultation process and seeks agreement to the final waste sector policies to be included into ERP2.	Glen Wigley	Y	19 September

BRF-5302	Distributional Impacts of ERP2	Outlines the expected distributional impacts of ERP2 and seek direction on a distributional impacts strategy.	Hemi Smiler	Y/N	19 September
		9(2)(f)(iv)			
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	26 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, 11 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
9(2)(f)(iv)								

9(2)(f)(iv)

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

9(2)(f)(iv)

9(2)(f)(iv)

Official Information Act Requests for Minister Watts

As at 1pm, 11 September 2024

Tracking Number	MO Tracking Number	Request	Correspondent	Organisation	Date due to Minister's Office	Date due to Requestor
OIAM-616	Not provided	Information supporting the statement that climate change is causing more frequent storms.	9(2)(a)		11 September	18 September
OIAM-619	Not provided	Expected timeline for financial report back on inquiry into climate adaptation.			19 September	26 September
OIAM-608	MOIA-104-24	Request for list of briefings – BRF-4344 and BRF-4609.	9(2)(a)	Newsroom	23 September	30 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).)	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
OIAM-629	MOIA-127-24	Request for climate briefings and weekly update.		Opposition	26 September	3 October
OIAM-576	MOIA-026-24	Request for copies of Weekly Updates.		Generation Zero NZ	27 September	4 October
OIAM-631	MOIA-133-24	International reporting of biogenic methane emissions.		Private Individual	30 September	7 October

Ministerial Correspondence Update

As at 1pm, 11 September 2024

Minister Watts:

We are preparing responses to eight pieces of correspondence on a range of topics including providing feedback on the second emissions reduction plan discussion document, concerns about industrial allocations policy settings, consultation on the second Nationally Determined Contribution, and calls for Government action on climate change.

Written Parliamentary Question Update

As at 1pm, 11 September 2024

Minister Watts:

We are preparing responses to written parliamentary questions about the baseline saving exercise, contractor numbers in 2023 and 2024, and forestry accounting in the Nationally Determined Contribution.

Minister Willis:

We are preparing responses to written parliamentary questions about the baseline savings exercise and advice received, and papers taken to Cabinet and Cabinet committees in September.

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