



# Climate Weekly Update

## Pūrongo Ahuarangi ā-Wiki

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For the week beginning 23 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 decreased by 1% from the previous week closing at \$61.00 on 17 September. Jarden reported a strong weekly trading volume of 751,000 spot NZUs traded. Jarden also reported that there has been increased trading activity in the secondary market and lower price volatility. The market commentary anticipates that in the absence of new information, the secondary market price will remain below the \$64 auction price floor prior to the 2 December 2024 auction.

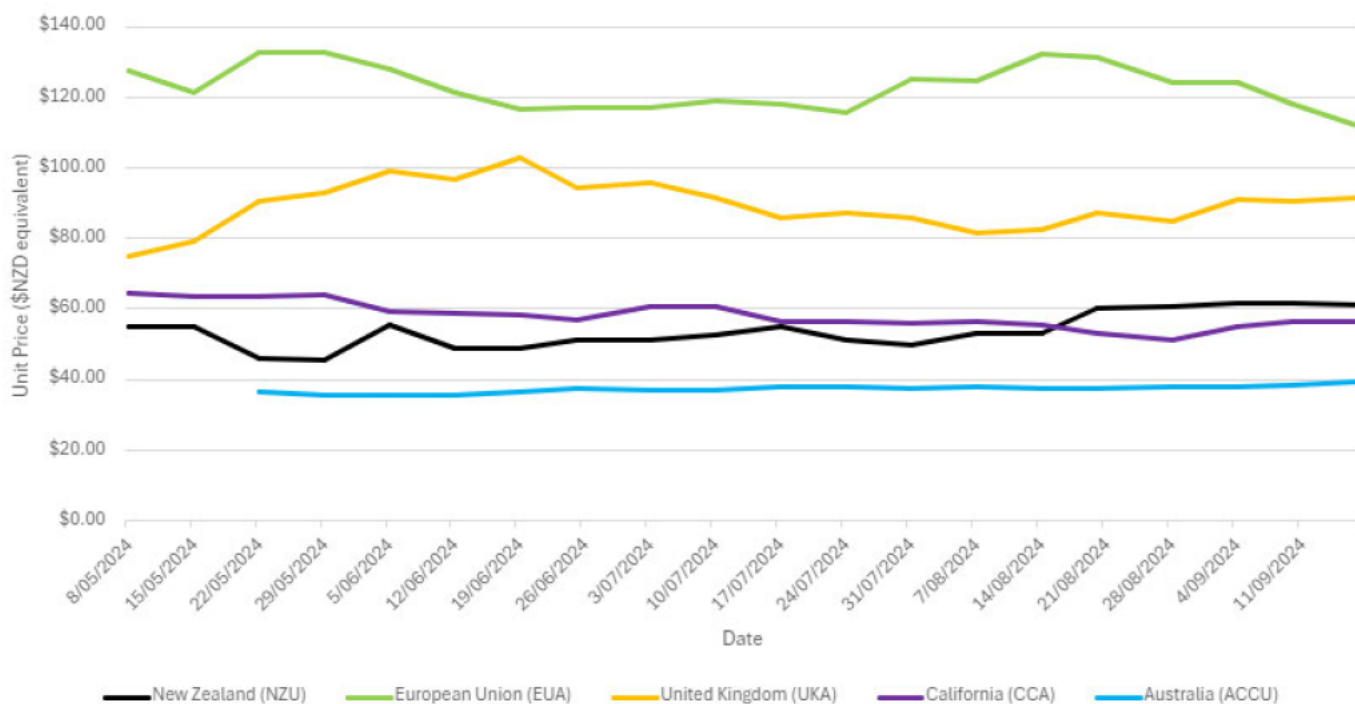
**EU and UK carbon markets:** European carbon prices decreased by 5% week-on-week with EUAs trading at €62.61. Market commentary noted that EU carbon allowances fell for a fourth week in a row, reaching a seven-week low as prices struggled to match stronger prices in the natural gas market. UK carbon prices increased by 1% week-on-week, trading at £43.00. Commentary attributed the price increase to speculative traders buying units due to an ongoing belief that the UK government is preparing policy updates concerning the ETS.

**Australia carbon market:** Australian carbon prices have increased by 3% week-on-week to \$36.40 (AUD). Market commentary reported generic ACCUs reaching a year-to-date high, and that last week there were 1 million spot and derivative ACCUs traded within a single day for the first time on record.

**Table: Current emission unit prices**

NZ, Europe, UK, California and Australia emission unit prices as at 17 September 2024 (NZD)				
NZU	EUA	UKA	CCA	ACCU
\$61.00	\$111.80 (€62.61)	\$91.49 (£43.00)	\$56.44 (\$USD 34.99)	\$39.57 (\$AUD 36.40)

**Chart: International emissions prices**



**Business Group:** Climate Change Mitigation and Resource Efficiency

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

## Preparing for CPMG on Monday 23 September

You have received the agenda and materials for CPMG on 23 September at 7.30pm along with talking points to support you as Chair at the meeting. We will be available to discuss these with you at our regular officials meeting on Monday. Climate Change Chief Executives Board members will also attend CPMG.

**Business Group:** Climate Change Chief Executives Board Unit

**Owner:** Lisa Daniell, Executive Director, 9(2)(a)



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## Update on the response to the Climate Change Commission's Emissions Reduction Monitoring Report

You are currently consulting your Ministerial colleagues on the Cabinet paper and Government Response to the Climate Change Commission's Emissions Reduction Monitoring Report. The CCIEB Unit will update the Cabinet material with any feedback received and provide you with the final documents for lodgement with the Cabinet Office by 26 September, for CBC to consider on 30 September. As you will be out of the country on 30 September, the Associate Minister of Climate Change will present the paper to the CBC. The CCIEB Unit will provide talking points and can support Minister Willis as needed at the CBC.

The material is due to be considered at Cabinet on 14 October, ahead of tabling the response in Parliament by 16 October, as required under the Climate Change Response Act 2002 (section 5ZK(4)).

**Business Group:** Climate Change Chief Executives Board Unit

**Owner:** Lisa Daniell, Executive Director, 9(2)(a)



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## Our Air 2024 to be released on 9 October 2024

*Our Air 2024* is the next report to be released under the Environmental Reporting Act 2015 and is scheduled for public release on 9 October. A briefing providing further details on this release will be sent to you and Minister of Statistics in the next week.

**Business Group:** Evidence Data and Insights

**Owner:** Aaron Napier, 9(2)(a)

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9(2)(f)(iv)

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## Gazette Notice: Section 161D(6) call for data from clay brick and field tile manufacturers: Marton Brick and Tile and Canterbury Clay Bricks

We have issued delegated secondary legislation in the NZ Gazette, dated 17 September, which calls for historical emissions, production, and revenue data from firms Marton Brick and Tile and Canterbury Clay Bricks. These firms are currently manufacturing clay brick and field tile, which is an eligible activity to receive industrial allocation under the New Zealand Emissions Trading Scheme (NZ ETS).

The collection of activity data from firms eligible for industrial allocation is used to determine their allocative baselines under the NZ ETS. Previous data collection exercises in 2023 found no manufacturers for the activities of gelatine, newsprint and clay bricks and field tile. A follow up call was issued in July 2024 under section 161D(1) of the Climate Change Response Act 2002 (the Act) that requested projected (future) emissions data from these activities. Similarly, no data was received.

No data from gelatine, newsprint and clay bricks and field tile in the 2023 collection allows you to set allocative baselines to zero. Any future producer of those products that sought industrial allocation would find it very difficult to have the allocative baselines adjusted upwards from zero due to various provisions in the Act. On that basis, the projected data process was proposed to allow you to revoke eligibility for those activities if no projected data was received.

In ensuring all possible people were aware of the notices, we found two clay brick and field tile companies, Marton Brick and Tile, and Canterbury Clay Bricks currently operating. They had not previously responded to our calls. When contacted directly to check they understood the implications of not responding, those firms expressed interest in continuing to be eligible for industrial allocation.

The firms now have 10 working days, ending 30 September 2024, to respond to the call if they wish to receive industrial allocation in future.

This section 161D (6) notice acts as a final reminder to these operating firms that they must provide data or they will lose eligibility for industrial allocation under the Act. We have kept both firms closely updated on what to expect from this process and support we can provide if they wish to receive industrial allocation.

Next steps, after the notice period has ended, involve us reviewing the firms' submissions and, depending on the review, incorporating amendments into the November 2024 updates to allocative baselines.

**Business Group:** Climate Change Mitigation and Resource Efficiency

**Owner:** Kate Whitwell, 9(2)(a)

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# 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 18 September 2024

Tracking Number	Title	Purpose	Responsible General Manager / Chief Advisor	Title Suitable for Proactive Release?	Date due to Minister
9(2)(f)(iv)					
BRF-5310	Emergency management system reforms – overview of MfE feedback on Cabinet papers	Provides an overview of MfE agency feedback on upcoming Cabinet papers on emergency management system reforms, with a focus on the intersection of these papers with the adaptation framework.	Katherine Wilson	Y/N	Sent 12 September
BRF-5264	Meeting with the Climate Change Commission 16 September 2024	Supports meeting with the Climate Change Commission’s Chair and Chief Executive.	Martin Workman	Y/N	Sent 12 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	Sent 12 September
9(2)(f)(iv)					

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	Sent 18 September
BRF-5332	Update on New Zealand's first Biennial Transparency Report	Provides background information on the BTR and an update on the status of the report.	Jonathan Ryan	Y	Sent 18 September
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	Sent 18 September
BRF-5138	ERP Implementation and Risk Management	Provides advice on monitoring, governance and accountability issues key to implementing ERP2.	Hemi Smiler	Y	Sent 18 September
BRF-5266	Next steps for the adaptation framework following the inquiry report back	Seeks approval for the sequencing of the next steps for the adaptation framework.	Katherine Wilson	Y	Sent 19 September

9(2)(f)(iv)

BRF-5352	Talking points ahead of CPMG meeting 23 September 2024	Provides suggested talking points.	Lisa Daniell	Y/N	20 September
9(2)(f)(iv)					
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-5276	Strengthening Māori Rights and Interests in the Second Emissions Reduction Plan	Provides final recommendations 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	26 September
9(2)(f)(iv)					
BRF-5299	Progressing the Agriculture and Forestry Sectors in New Zealand's Sustainable Finance Taxonomy	Provides further advice on the development of definitions for activities in the agriculture and forestry sectors as part of New Zealand's Sustainable Finance taxonomy.	Hemi Smiler	Y/N	26 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	26 September
9(2)(f)(iv)					
BRF-5270	Final allocative baselines for industrial allocation 2024	Seeks approval to issue drafting instructions for amendment regulations.	Mark Vink	Y/N	26 September
9(2)(f)(iv)					
BRF-5342	Final response to the Commission's emissions reduction monitoring report for Cabinet	Provides the final Cabinet paper and Government response to the Commission's emissions reduction	Lisa Daniell	Y/N	26 September

		monitoring report for Cabinet consideration			
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

# Upcoming Briefings for Minister Willis

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Papers sent to the Minister in the last seven days and due to the Minister in the following 3 weeks  
As at 1pm 18 September 2024

Tracking Number	Title	Purpose	Responsible General Manager / Chief Advisor	Title Suitable for Proactive Release?	Date due to Minister
BRF-5342	Final response to the Commission's emissions reduction monitoring report for Cabinet	Provides the final Cabinet paper and Government response to the Commission's emissions reduction monitoring report for Cabinet consideration.	Lisa Daniell	Y/N	26 September

# Cabinet Papers

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As at 1pm, 18 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, 18 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	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).		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
OIAM-629	MOIA-127-24	Request for climate briefings and weekly updates.		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
OIAM-633	MOIA-135-24	Request for paper 'ETS Impacts on Electricity and Fuel Prices August 2024'.		Opposition	4 October	11 October
OIAM-637	MOIA-136-24	List of titles received by Minister in August 2024.		Newsroom	4 October	11 October
OIAM-636	MOIA-137-24	Information or correspondence relating to Climate Priorities Ministerial Group meetings		Generation Zero NZ	7 October	14 October

# Official Information Act Requests for Minister Willis

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As at 1pm, 18 September 2024

Tracking Number	MO Tracking Number	Request	Correspondent	Organisation	Date due to Minister's Office	Date due to Requestor
OIAM-632	WILLIS 672	Minister Willis Briefing List	9(2)(a)	Newsroom	27 September	4 October

# Ministerial Correspondence Update

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**As at 1pm, 18 September 2024**

## **Minister Watts**

We are preparing responses to six 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

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**As at 1pm, 18 September 2024**

## **Minister Watts**

We are preparing responses to written parliamentary questions about your meeting with Energy Resources Aotearoa on 7 August, redundancy payments for the Minister's agencies, and advice received in September.

## **Minister Willis**

We are preparing responses to written parliamentary questions about redundancy payments for the Minister's agencies, and advice received in September.

# Key Dates

## Upcoming Chief Executive and Deputy Secretary Acting Responsibilities

Staff member	First day of absence	Last day of absence	Acting arrangements
Laura Dixon	6 September	20 September	Arun Patel
Anne Haira	9 September	4 October	Sara Clarke
Martin Workman	30 September	30 September	TBC
James Palmer	30 September	4 October	Nadeine Dommissee
Laura Dixon	9 October	11 October	Pepi Batsos