



19 December 2024

OIAD-1364

9(2)(a)

Dear 9(2)(a)

Thank you for your email of 31 October 2024 requesting the following under the Official Information Act 1982 (the Act):

- *BRF-4682 to the Minister of Climate Change, including any appendices and attachments.*
- *BRF-4753 to the Minister of Climate Change, including any appendices and attachments.*
- *Records of any feedback from the Minister to officials in relation to BRF-4682 and then BRF-4753, and the actions that officials took to respond to that feedback.*
- *BRF-4913 notes that updated emissions modelling was prepared after BRF-4753, resulting in a decreased emissions estimate for the second emissions budget period from 309 Mt (range 291-327 Mt) to 305 Mt (range 287-323 Mt). This is a further decrease from the interim projections supplied for the Climate Priorities Ministerial Group meeting on 20 May 2024 – the Climate Change Chief Executives Board summary of the quarterly progress report notes interim projections (based on April 2024 settings and assumptions) of 311Mt (plus or minus 18 Mt) for EB2. Please provide records (including internal correspondence) that document the differences in model inputs (including model assumptions) between the modelling reported to the CPMG's meeting on 20 May, the modelling reported in BRF-4753, and the updated modelling reported in BRF-4913, the justifications for making those changes to the model inputs, and the process by which the changes came to be made, including any instructions from the Minister or the Minister's staff to make those changes.*
- *BRF-4759 to the Minister of Climate Change, including any appendices and attachments.*
- *In the Regulatory Impact Statement prepared by the Ministry for the Environment in relation to the 2024 update to New Zealand Emissions Trading Scheme limits and price control settings for units (dated 7 August 2024), it is noted that the related Cabinet Paper did not include option 3 for 'Step 1 – Align with emission targets', which would involve further tightening unit limits by adjusting for unanticipated emissions reduction from when the emissions budgets were set. Please provide the relevant Cabinet Paper, any advice prepared in support of that Cabinet paper, and any records of the process for making the decision not to include option 3, including the justifications for that decision and any instructions to not include that option in the Cabinet Paper.*

On 28 November, you were notified of an extension to the timeframe to respond to your request of 15 working days to allow for the necessary consultations.

The Ministry for the Environment has identified seven documents in scope of your request, as listed in the attached document schedule. Some information has been withheld under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons.
- 9(2)(h) to maintain legal professional privilege.

9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

Request for copies of specified briefings and ministerial feedback

I am refusing to provide BRF-4682 under section 18(d) of the Act as the document is publicly available on the Ministry’s website: [Emissions reduction plan and the climate strategy | Ministry for the Environment](#).

Minister Watts did not provide feedback on BRF-4682; therefore I am refusing your request for feedback and subsequent actions under section 18(e) as the information does not exist.

I am partially releasing BRF-4753 to you with redactions under sections 9(2)(f)(iv) and 9(2)(h). The document released is the version signed and commented on by Minister Watts, this feedback is copied below for clarity:

- Page 1 – “*Paper does not clearly note that excludes new government climate priorities and emission reductions so should do without delay*”
- Page 5 – “*Note: Forecast excludes Government Priorities incl ‘double renewables’ and should be reflected without delay*”
- Page 7 – “*Per 20yr contract?*”

I am withholding BRF-4759 in full under section 9(2)(f)(iv) of the Act as this advice is currently under active consideration.

Emissions modelling input differences

Please see the below table for a summary of the changes made to the modelling which produced the emissions estimates for the second emissions budget period.

Briefing	Data	Reason for change
BRF-4753 Update on sufficiency assessment for ERP2 29 May 2024	Interim projections EB2: 309 Mt	MBIE reached out to MfE to provide an update on gas availability assumptions. This update was used to inform MBIE’s counterfactual for modelling the impact of reversing the offshore gas exploration ban. This was significantly different from the assumption used in the interim projections, which did not take into account the most recent reserves estimates, which are expected to be lower than previously estimated. This was reflected by MfE in the revised modelling by bringing the Methanex closure dates forward. Methanol is the major swing consumer of gas.

<p>BRF-4193</p> <p>Update to NZ ETS and ERP2 policy modelling</p> <p>14 June 2024</p>	<p>ERP2 baseline projections as of 12 June 2024</p> <p>EB2: 305 Mt</p>	<p>Updates were made as described below following reviews by other agencies and the most recent available data.</p> <ul style="list-style-type: none"> - Revision downward of livestock population in Stats NZ's Agricultural Production Survey - Significantly reduced afforestation intentions as based on the 2023 Afforestation and Deforestation Intentions Survey
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The decision to remove 'Option 3' from the NZ ETS limits and price control settings for units cabinet paper

In paragraph 47.2 of the final Cabinet paper, the reason Option 3 for 'Step 1 – Align with emission targets' was removed is described. The Cabinet paper has been previously proactively released. Therefore, I am refusing to provide *Cabinet paper – New Zealand Emissions Trading Scheme unit limits and price control settings for 2025-2029* under section 18(d) of the Act as the document is publicly available on the Ministry's website: [ETS-unit-settings-2025-MfE.pdf](#). BRF-4919, which includes officials' advice on the options and contains the first draft of the cabinet paper, is also available in this proactive release.

The process which resulted in Option 3 being removed is described below:

- 16/07/2024: BRF-5055 includes an initial draft of the cabinet paper which included all three options, noting full drawdown is preferred.
- 24/07/2024: in an email from Minister Watts to Ministry officials discussing the timeframes for progressing the cabinet paper, it was noted that the Minister had requested the paper be shortened. This email didn't specifically mention removing Option 3 so has not been considered within scope of your request.
- 26/07/2024: BRF-5085 includes a new draft of the cabinet paper following changes made by the Ministry to shorten the paper and includes updates based on consultation with other agencies. Option 3 remains in this version.
- 30/07/2024: Minister Watts' office sent an updated version of the cabinet paper back to the Ministry in an email. The changes they made were to further shorten the paper, and the email notes that Option 3 was removed but doesn't provide an explanation as to why.
- 6/08/2024: The Minister of Finance's office emailed Minister Watts office with their Minister's feedback on the cabinet paper, requesting a reason be included for removing two options. Minister Watts' office responded with their reasoning, and this was passed on to Ministry officials for inclusion in the final cabinet paper.
- 7/08/2024: BRF-5151 includes the final version of the cabinet paper to be considered by Cabinet which includes the reason for removing Option 3 at paragraph 47.2.

Note that, other than including a copy of the Cabinet paper, the briefings referred to above are not in scope of your request.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of the information as noted above is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: www.ombudsman.parliament.nz.

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 [OIA responses page](#) shortly after the response has been sent. If you have any queries about this, please feel free to contact our Ministerial Services team: ministerials@mfe.govt.nz.

Yours sincerely

A handwritten signature in grey ink, appearing to read 'Mark Vink', is positioned above the typed name.

Mark Vink
General Manager - Markets
Ministry for the Environment | Manatū Mō Te Taiao

Document Schedule

Document no.	Document date	Content	Decisions	OIA sections applied
1.	29 May 2024	BRF-4753: Update on sufficiency assessment for ERP2 [SIGNED]	Released in part	9(2)(f)(iv) 9(2)(h)
2.	30 July 2024	Email: New ETS Settings paper	Released in part	9(2)(a)
3.	6 August 2024	Email: For action - MoF comments on ETS unit limits and price control settings paper	Released in part	9(2)(a)
4.	3 May 2024	BRF-4682: Interim emission projections and modelling update	Refused in full	18(d)
5.	30 May 2024	BRF-4759: Progress update on consideration of Climate Change Commission advice in ERP2	Withheld in full	9(2)(f)(iv)
6.	11 July 2024	BRF-4919: Key issues and options for NZ ETS settings	Refused in full	18(d)
7.	11 July 2024	Cabinet paper: New Zealand Emissions Trading Scheme unit limits and price control settings for 2025-2029	Refused in full	18(d)