



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Proposed Changes to Regulations for the New Zealand Emissions Trading Scheme 2022: Approval to Consult

Portfolio **Climate Change**

On 10 March 2022, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that a large set of regulations enable the implementation and operation of the New Zealand Emissions Trading Scheme (NZ ETS) under the Climate Change Response Act 2002 (the Act);
- 2 **noted** that some of these regulations need amending to ensure the NZ ETS is meeting the objectives of the Act;
- 3 **noted** that the following proposals will improve the accuracy of the New Zealand Emissions Trading Scheme and support increased emissions reductions:
 - 3.1 removing the regulation allowing the conversion of New Zealand Units into Kyoto Protocol era emission units for cancellation;
 - 3.2 removing the import date and product stewardship eligibility criteria for the export or destruction of certain greenhouse gases;
 - 3.3 updating the schedule of classes and default emissions factors for natural gas fields to reflect updated data on gas composition and any new operational gas fields;
 - 3.4 changing how obligation fuel and opt-in participants calculate their emissions due to the supply of biofuel;
- 4 **agreed** to release the consultation document, *Proposed changes to regulations for the New Zealand Emissions Trading Scheme 2022*, attached to the submission under ENV-22-SUB-0010, to support consultation on the above proposals;
- 5 **authorised** the Minister of Climate Change to make minor design, editorial and technical changes to the consultation document as needed prior to its release;

- 6 **noted** that the Minister of Climate Change will seek Cabinet approval for any amendments to regulations in June 2022 following the consultation.

Vivien Meek
Committee Secretary

Present:

Hon Kelvin Davis
Hon Dr Megan Woods
Hon David Parker (Chair)
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Willie Jackson
Hon Michael Wood
Hon Kiri Allan
Hon James Shaw

Officials present from:

Office of the Prime Minister
Officials Committee for ENV

Proactively released