

New Zealand Emissions Trading Scheme interim auction monitor report

10 September 2025 auction



Ministry for the
Environment
Manatū Mō Te Taiao



Te Kāwanatanga o Aotearoa
New Zealand Government

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This document may be cited as: Ministry for the Environment. 2025. *New Zealand Emissions Trading Scheme interim auction monitor report: 10 September 2025 auction*. Wellington: Ministry for the Environment.

Published in September 2025 by the
Ministry for the Environment
Manatū mō te Taiao
PO Box 10362, Wellington 6143, New Zealand
environment.govt.nz

ISBN: 978-1-991404-10-7
Publication number: ME 1922

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Introduction and purpose of this report

This report is produced by the Ministry for the Environment (the Ministry) acting in the role of the interim auction monitor for the 19th New Zealand Emissions Trading Scheme (NZ ETS) auction and the third auction of 2025, held on 10 September 2025.

The NZ ETS auctions of New Zealand Units (NZUs or 'units') are held at quarterly intervals each year in accordance with the Climate Change Response Act 2002 and the Climate Change (Auctions, Limits, and Price Controls for Units) Regulations 2020. Specific regulations for the auction monitor function have not been passed, so the Ministry is operating as the interim auction monitor.

The functions of an auction monitor include but are not limited to:

- monitoring the conduct of agents and auction participants
- the publication of an auction report as soon as is practicable following an auction
- calculating specified metrics about the auction process and auction results
- providing a periodic assessment of the auction system and making recommendations for improvement.

This auction monitor report provides the results of the latest auction. It also presents a comparison with previous auctions and provides assurance that the auction was conducted properly and in accordance with the applicable rules and laws. The next auction, the fourth auction of 2025, is scheduled for 3 December 2025.

Auction price and volume settings are set by regulation. These details are published on the [Ministry website](#). Dates for future auctions can be found on the [ETS auctions webpage](#). Participants are urged to monitor the Ministry website to keep up to date with these details.

We welcome feedback on this report; please send it to etsfeedback@mfe.govt.nz.

Auction information

Table 1 provides the price settings and units available for the 10 September 2025 auction.

Table 1: Unit and price information for the NZ ETS auction held on 10 September 2025

Units available					Prices		
September auction	Unsold from previous auctions	Total auction volume (excl CCR)	Tier 1 CCR	Tier 2 CCR	Price floor	Tier 1 CCR trigger price	Tier 2 CCR trigger price
1,500,000	3,000,000	4,500,000	2,600,000	4,500,000	NZ\$68.00	NZ\$193.00	NZ\$242.00

Note: CCR = cost containment reserve.

Auction results

- The third auction of 2025, held on Wednesday 10 September 2025, did not clear.
- No bids were received during the auction bidding window.
- No NZUs were required to be transferred as a result of the auction.
- The unsold units will carry over, and a total of 6,000,000 NZUs (excluding cost containment reserve (CCR)) will be available at the next auction on Wednesday, 3 December 2025.
- The secondary market closing price the day before the auction (9 September 2025) was NZ\$57.85 (composite price, multiple inputs).
- The secondary market closing price the day of the auction (10 September 2025) was NZ\$58.09 (composite price, multiple inputs).

Table 2 provides the key metrics of the auction. Figures 1 to 9 throughout this report present a comparison of the auction with previous auctions.

Table 2: Metrics for NZ ETS auction held on 10 September 2025

Metrics for NZ ETS auction	Response
Clearing price	None
Maximum bid price	0
Minimum bid price	0
Average bid price	0
Number of participants	0
Number of successful participants	0
Volume available at auction (including 7,100,000 CCR units)	4,500,000 (11,600,000 incl. CCR)
Volume of NZUs sold	0
Volume of NZUs bid for	0
Average bid size	0
Average volume bid per participant	0
Average volume won per successful participant	0
Average number of bids per participant	0
Total number of bids submitted (not including withdrawn bids)	0
Number of bids withdrawn	0
Number of successful bids	0
Cover ratio (excluding 7,100,000 CCR units)	0
Aggregated 'top 5' participants volume (aggregated bids) as a percentage of total units bid for	0
Estimated percentage of bidders with compliance obligations	0

Commentary on the auction results

The 10 September 2025 auction was the third auction of 2025 and received no bids and did not clear. This auction followed the June 2025 auction which also received no bids and did not clear at the auction price floor of NZ\$68.

Price

No clearing price was established as no bids were registered for the 10 September 2025 auction.

Figure 1: Auction clearing prices (relative to price floor and CCR prices)

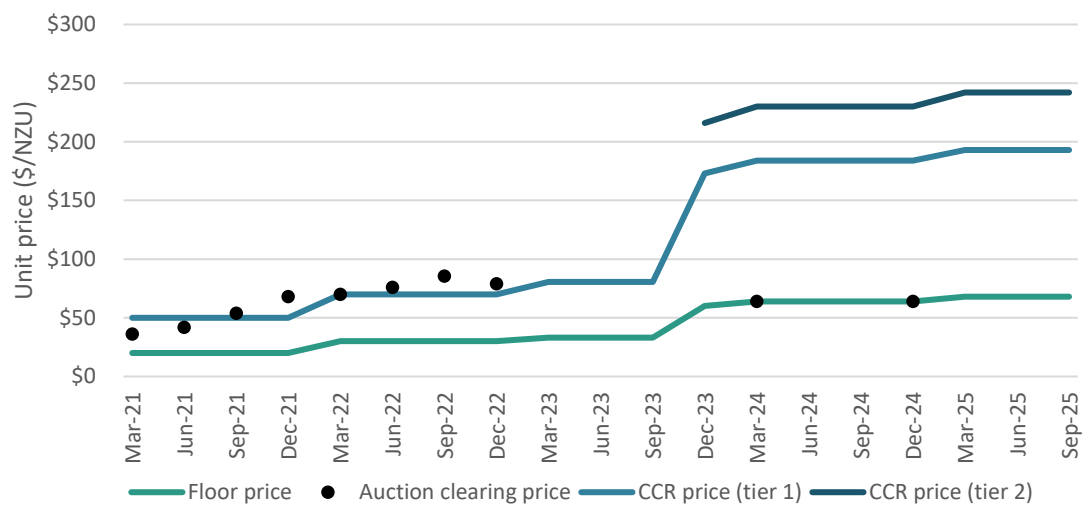
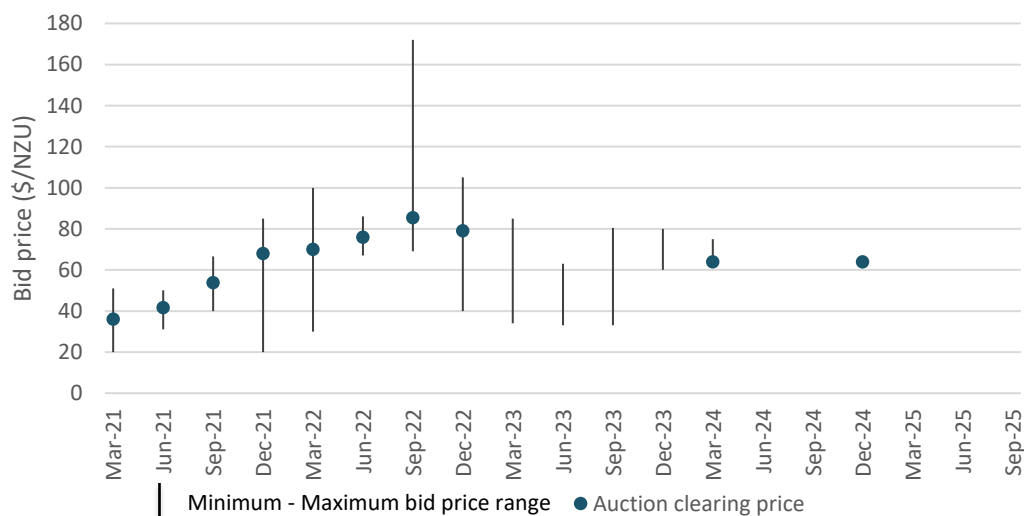


Figure 2: Range of minimum and maximum bids observed at auctions



Units sold and cover ratio

A total of 3,000,000 units were carried over from the previous 18 June 2025 auction. A total of 4,500,000 units (excluding CCR) were available at the 10 September 2025 auction. No units were sold, therefore 6,000,000 units (excluding CCR) will be available at the 3 December 2025 auction.

The cover ratio shows the level of demand compared to the number of units available at auctions. It has been on a downward trend over time. The results of the 10 September 2025 auction support this downward trend.

Figure 3: Bid volume versus total volume sold over time

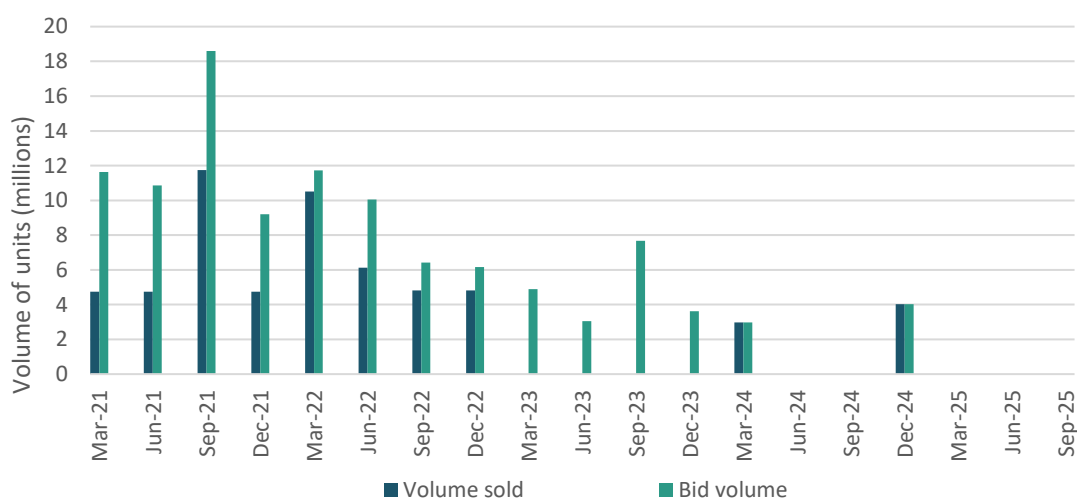
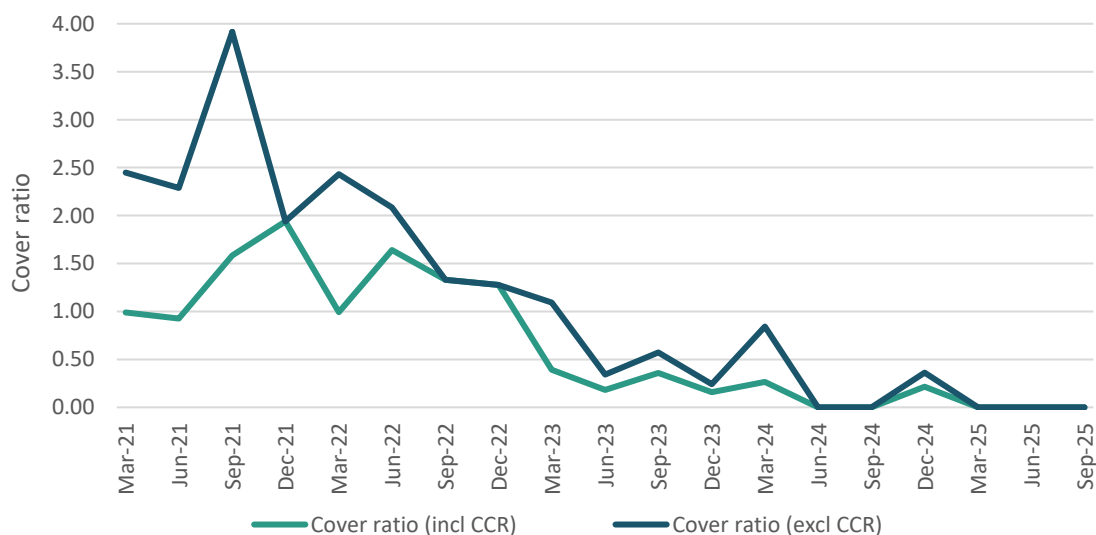


Figure 4: Trend of cover ratio over time (volume bid/volume sold)



Bidder behaviour

There were no bids submitted during the 10 September 2025 auction.

Figure 5: Total number of successful and unsuccessful bids

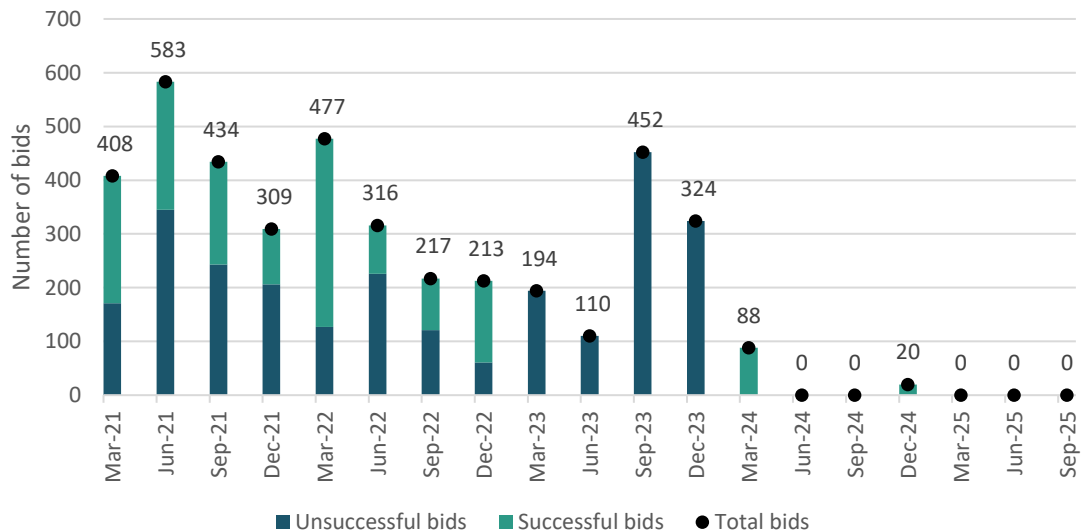
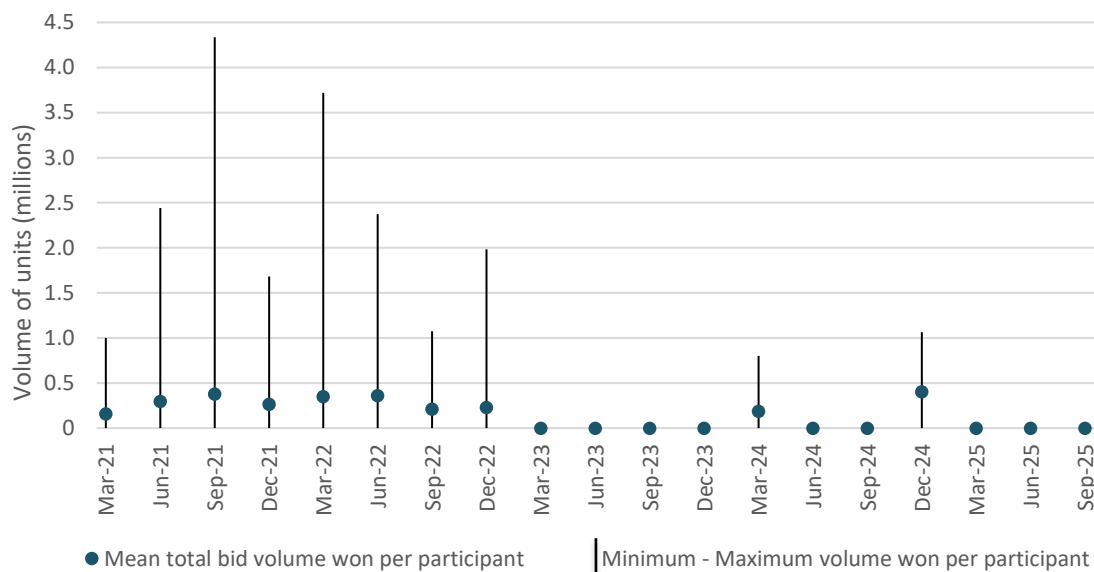


Figure 6: Range of maximum and minimum volume of units won per participant



Participants

No auction participants took part in the 10 September 2025 auction.

Note: A participant with compliance obligations is a party who is directly registered in the NZ ETS with obligations under Schedule 3 or Schedule 4 of the Climate Change Response Act. However, there may be participants in an auction who do not have compliance obligations and could be purchasing units on behalf of another party that does have compliance obligations.

Figure 7: Participant numbers per auction

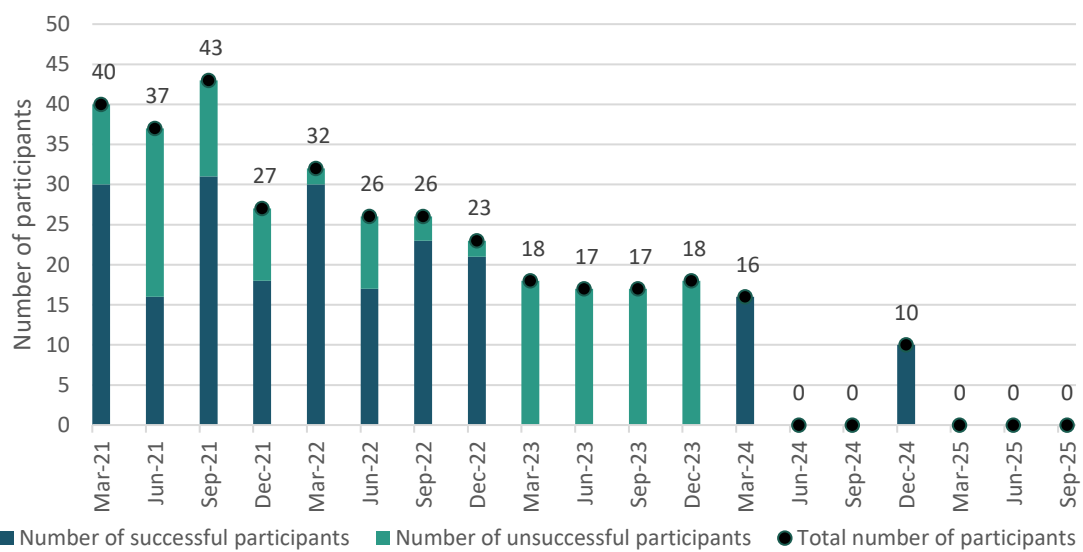


Figure 8: Number of compliance versus non-compliance participants

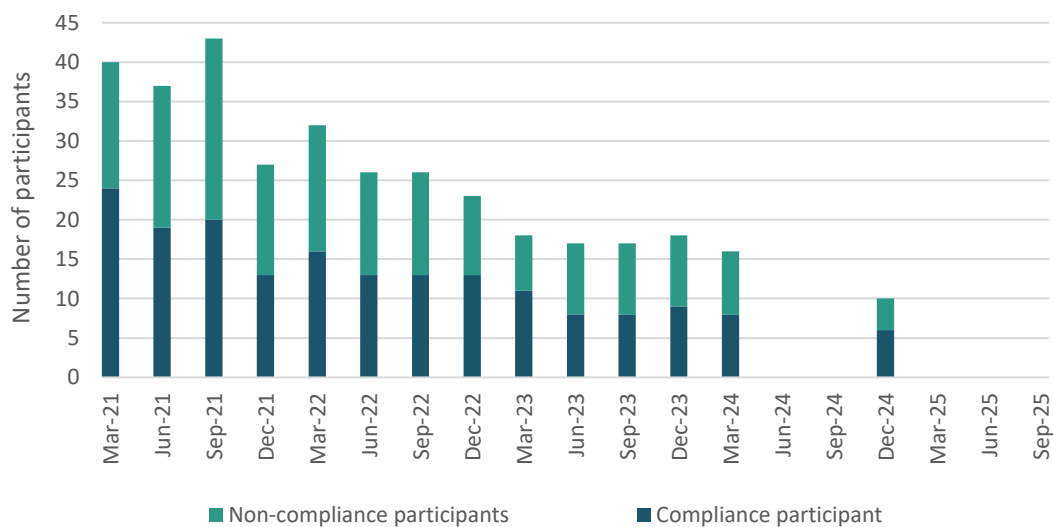
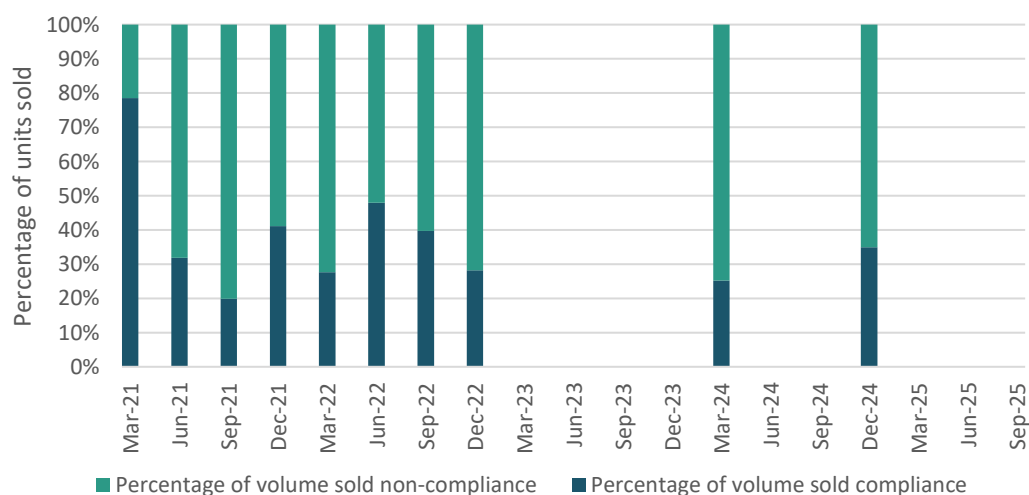


Figure 9: Number of units sold to compliance participants versus non-compliance participants



Commentary on the auction operation

The auction operator has confirmed that the auction mechanism, systems and processes functioned as expected, with no issues or delays observed.

The Ministry is satisfied that the auction was conducted properly and ran in accordance with the applicable regulation and policy.

Collateral and settlement

In past auctions, participants have made use of both cash and non-cash collateral instruments. However, in the 10 September 2025 auction only non-cash collateral instruments were used. There was therefore no requirement to return unused cash collateral immediately following the auction.

No settlement process was undertaken as the auction did not clear.

Appendix 1: Auction mechanics

The auction clearing price

No bids were received, meaning there was no clearing price.

The confidential reserve price

The confidential reserve price (CRP) was not made use of in the auction.

The Climate Change (Auctions, Limits, and Price Controls for Units) Regulations 2020 require the Minister of Climate Change to set a methodology for calculating a CRP for NZ ETS auctions. The purpose of the CRP is to prevent NZUs from being sold at auction at a price significantly below the secondary market price. If the auction clearing price is less than the CRP, the auction will not sell any NZUs. Unsold NZUs are rolled forward to be sold at the next auction in the same calendar year.

The mechanism for calculating the CRP was last revised ahead of the March 2024 auction to ensure that the mechanism remains confidential.

Resolved tied bids

There were no tied bids in the 10 September 2025 auction. If more than one bid sets the clearing price, those bids are referred to as tied bids. If all tied bids, together, bid for more units than are left, each tied bid is allocated a proportional share of the remaining units, subject to rounding rules.

Bids are only accepted in multiples of 100 units from 500 units (the lot size and minimum bid respectively). Units are allocated to bids in multiples of lot size. Therefore, when tied bids occur and the operator calculates proportional shares, they apply the following rounding rules:

- the number of units allocated to a tied bid, if not a multiple of the lot size, is rounded down to the nearest 100 units (this may include being rounded down to zero)
- if unallocated units remain after tied bids are awarded their proportional share (rounded to the nearest 100 units), any remaining lots are randomly allocated to the tied bids, but only up to their original bid amount.

Cost containment reserve

The CCR trigger prices were not breached in the 10 September 2025 auction. No CCR volume units were sold.

The CCR mechanism provides for additional volume of NZUs to be added to the auction volume if the auction clearing price is equal to, or exceeds, the CCR trigger price or prices. In 2025, there are two distinct CCR tiers and two associated trigger prices.