

Consultation on the second emissions reduction plan

30/07/2024



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New Zealand Government



Today's session

Purpose:

- Outline the proposals in ERP2
- Get your feedback on key points.

- The climate challenge and how New Zealand responds
- ERP2 discussion document
- Feedback time



Context



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Climate change is a serious challenge, we all need to play our part in addressing it



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Actions at home and internationally in the next decade are critical.

New Zealand is playing its part to limit temperature rise.

The effects of climate change are already being felt and are already costing us.

Transitioning to a net zero emissions future is also an opportunity.

We all have a part to play in facing this challenge.



750,000 New Zealanders and 500,000 buildings worth over \$145 billion are near rivers and in coastal areas already exposed to extreme flooding.

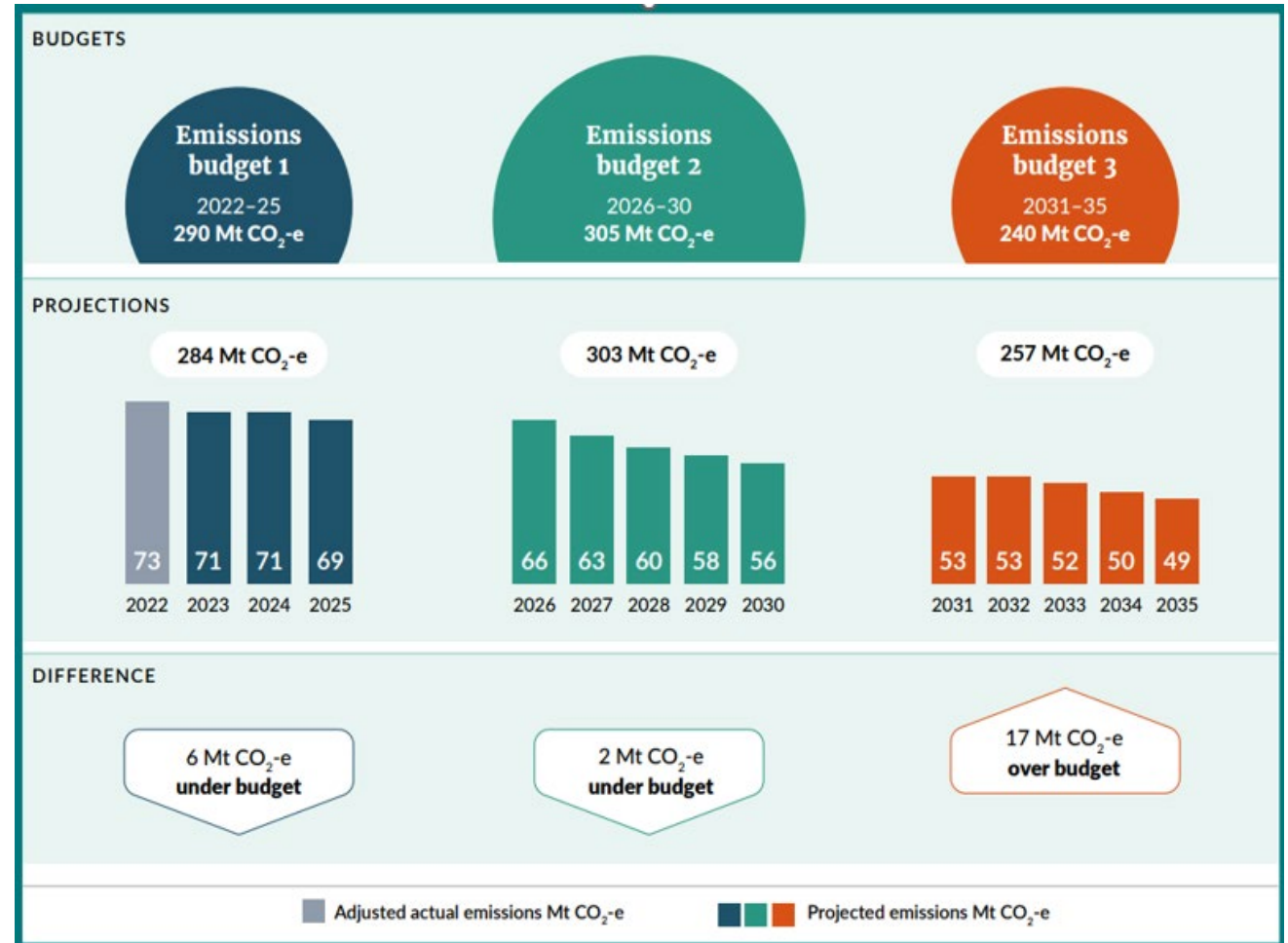


Between 2007 and 2017, climate change cost an estimated **\$120 million in privately insured flood damage and \$720 million in economic losses from drought.**



The Treasury estimates the total costs of **physical damage to assets from the 2023 cyclone and flooding in the North Island to be \$9 to \$14.5 billion.**

Tracking our progress to meet emissions budgets



The Government's Climate Strategy sets the direction for our climate change response

Five priority areas to reduce the impact of climate change and prepare for its future effects



The second emissions reduction plan is a key tool to bring that strategy to life.

Amending the first ERP

ERP1 was published in 2022 and covers the first emissions budget (2022-2025).

Amendments are being made to:

- Reflect and align with the Government's climate strategy
- Update where work has stopped on some actions (including by the previous government)

Current interim projections:

- Reflect the impact of policy changes to ERP1 that can be modelled
- Give confidence EB1 can be achieved



The approach to the Second Emissions Reduction Plan



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An efficient and cost-effective transition

Principles that have guided the development of the draft proposals:

1. **Cost-effective transition:** We will remove barriers to enable rapid investment in a climate response that also grows our economy and increases productivity
2. **Net-based approach:** We will meet our targets by a mixture of actions that reduce our overall emissions, alongside activities that remove greenhouse gases from the atmosphere



What this means for ERP2



- Emission pricing through the **NZ Emissions Trading Scheme (NZ ETS)** will continue to be the main tool in encouraging net emissions reduction.
- Establishing a fair and sustainable pricing system for on-farm emissions
- Complementary policies that support emissions pricing:
 - Focus on sectors that drive emissions
 - Focus on policies that make it cheaper or easier for business or households to reduce net emissions (eg, R&D or removing regulatory barriers).

Strengthening the New Zealand Emissions Trading Scheme



Supporting credibility in the market and confidence in market participants is a key focus because the NZ ETS is the Government's key tool for reducing net emissions.

- **The Government is doing this by:**
 - Committing to not putting an expiry date on New Zealand emissions units (NZUs) held in private accounts
 - Committing to keeping the value of one forestry NZU equivalent to one tonne of emissions reduced
 - Immediately ending the NZ ETS Review upon taking office
- **The Government is also:**
 - Exploring options for strengthening market governance and improving understanding of how the market works
 - Ensuring the annual NZ ETS settings put us on the path to meet our budgets and targets
 - Intending to introduce limits on the entry of new exotic forests into the NZ ETS on highly productive farmland
 - Updating industrial allocation settings

Sector Proposals

- Seven key proposals intended to have the greatest impact on our ability to meet our targets.
- These are supported by a range of other policies and actions across the sectors.

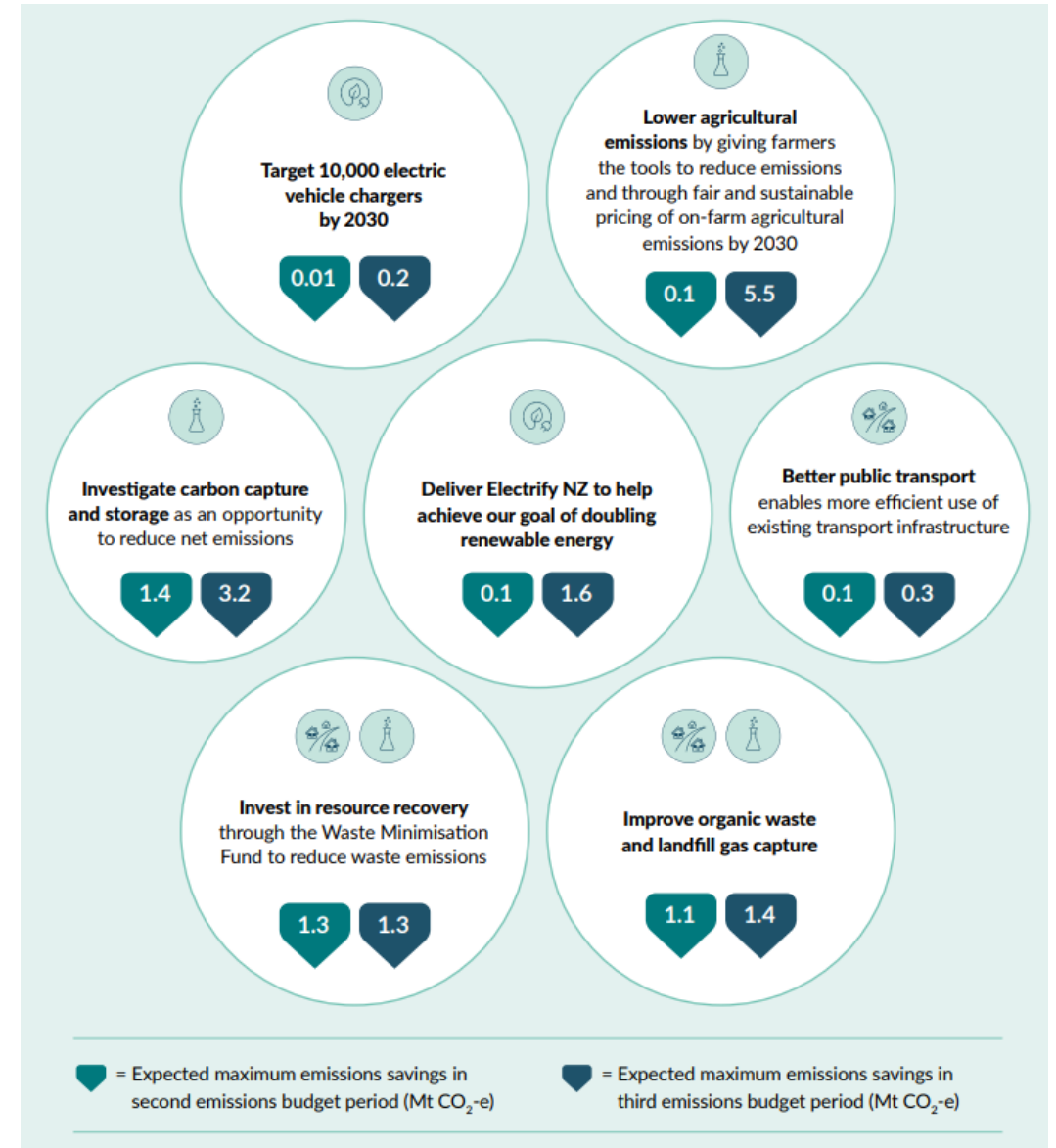


Seven key ERP2 actions to drive emissions reduction and removals

This actions are supported by additional policies in each sector covered on the next slides.



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Sector policies:



Energy

- Enabling accelerated investment in renewable energy generation and electricity networks by improving the resource management system.
- Enabling carbon capture technology

- Doubling renewable energy by 2050
- A smarter electricity system which gives New Zealanders the ability to change how and when they use power



Transport

- Working Sustainable Aviation Aotearoa, which is a group of private sector and government agencies supporting the decarbonisation of the aviation sector

- Enabling a network of 10,000 public electric vehicle (EV) charging points by 2030 and facilitating private investment in EV charging infrastructure, subject to a cost-benefit analysis.
- Reviewing regulatory barriers to zero-emissions heavy vehicle uptake.
- Working with other countries on sustainable aviation fuels and low-and zero-carbon shipping on key trade routes by 2035
- Supporting public transport in key areas



Waste

- Incentivising efficient landfill gas capture through the New Zealand Emissions Trading Scheme
- Investing a portion of the waste disposal levy into New Zealand's waste infrastructure

- Targeting further investment in New Zealand's resource recovery infrastructure and Systems (including construction and demolition waste)
- Investigating improvements to organic waste disposal and landfill gas capture.



Agriculture

- Reviewing methane science and target
- Accelerating the Development of tools and Technologies to reduce on-farm emissions.
- Developing on-farm emission measurement for implementation by 2025.

- Recognising more on-farm activities that remove greenhouse gases from the atmosphere
- Implementing a fair and sustainable pricing system for agricultural emissions by 2030
- Accelerating the Development and commercialisation of emissions-reduction tools and Technologies.



Forestry & Wood Processing

- Restoring confidence and credibility in the New Zealand Emissions Trading Scheme to give certainty to the market.

- Managing on-farm conversions to forestry through the New Zealand Emissions Trading Scheme
- Boosting wood processing by improving the consenting framework, supporting commercial investments, and getting the system setting right to be building with wood.

What we're doing now

What's coming

Sector dashboards



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Agriculture 	
 What we're doing now	<ul style="list-style-type: none">▶ Reviewing methane science and target.▶ Accelerating the development of tools and technologies to reduce on-farm emissions.▶ Developing on-farm emissions measurement for implementation by 2025.
 What's coming	<ul style="list-style-type: none">▶ Recognising more on-farm activities that remove greenhouse gases from the atmosphere.▶ Implementing a fair and sustainable pricing system for agricultural emissions by 2030.▶ Accelerating the development and commercialisation of emissions-reduction tools and technologies.
 What this could mean for New Zealanders	<ul style="list-style-type: none">▶ Our farmers and growers are thriving, producing high-value products while creating fewer emissions.▶ Farmers and growers have access to new technologies that support emissions reductions without reducing production.
 The kinds of questions you might see	<ul style="list-style-type: none">▶ How can the Government support farm/industry-led action to reduce emissions?▶ How can farmer uptake of emissions-reductions tools be encouraged?

Outlines where work is underway

Outlines upcoming policies/actions/proposals

Outlines the impact or affect of these activities for New Zealanders

Examples of the kind of questions in the discussion document

Q&A session

Add your responses to the questions in the pre-populated Miro board.



Miro whiteboard



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miro

Template Miro for ERP2 Consultation Webinars



Present

Share

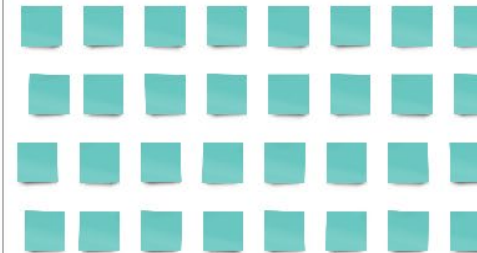


How to use the whiteboard

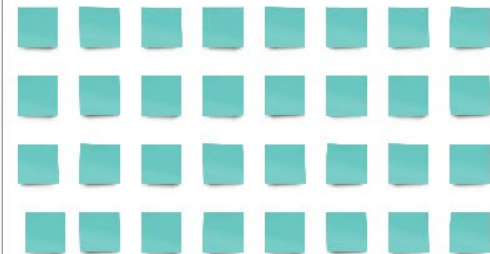
Use the question headings as a guide to add your contributions in a sticky note.

- To navigate the whiteboard, hold down your right mouse button and drag.
- Use the scroll function on your mouse to zoom in and out (or the +/- signs at the bottom right of the board).
- Click to select items or spaces.
- To add a sticky note, use a blank one on the screen, OR click on the sticky note icon in the left-hand vertical menu (click to choose where to drop it).
- To edit a sticky note, double click on it.
- In the menu bar above the post it, select the smiley face icon to add an emoji. You can use this to interact with others' comments and suggestions.

What do you think is working well in New Zealand to reduce our emissions and achieve the 2050 net zero target?



What are the key advantages/disadvantages to taking a net based approach?



Find out more about our
emissions reduction plans

environment.govt.nz/erp



Feedback time

- To make a submission head to [Ministry for the Environment - Citizen Space](#) or email ERPConsultation@mfe.govt.nz
- If you would like to opt into a regular ERP pānui / newsletter please let us know

- What do you think is working well in New Zealand to reduce our emissions and achieve the 2050 net zero target?
- What are the key advantages/disadvantages to taking a net based approach?
- Do you agree that the Government should continue to use the NZ ETS as a key tool to encourage emissions reductions, stay within budgets and achieve the 2050 target?
- What other sectors/areas do you think have significant opportunities for cost effective emission reductions?
- What opportunities are there for Māori and iwi led action to reduce emissions that could benefit from government support?



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- If you would like to opt into a regular ERP pānui / newsletter please let us know



- What feedback do you have on the seven key areas?
 - Target **10,000 EV chargers** by 2030
 - Deliver **Electrify NZ** to help achieve our goal of doubling renewable energy
 - Investigate **carbon capture and storage**
 - Lower agricultural emissions by giving farmers the **tools** to reduce emissions and through **fair and sustainable pricing of on-farm ag emissions** by 2030
 - Better **public transport**
 - Investing in **resource recovery** through the Waste Minimisation Fund to reduce waste emissions
 - Improve organic waste and landfill gas capture
- What other things do you think the Government should consider for the ERP2?

What's next

- All feedback from today will be uploaded as a submission
- You can also make an individual submission until Wednesday 21 August
- All submissions will be reviewed and analysed by officials
- That analysis will help inform Ministers' decisions about ERP2

Public consultation events on ERP2 (Online)



Please [register](#) for these events via our website.

Online Events	Date
Forestry Workshop	31 July
Waste Webinar	1 August
Emissions Trading Scheme (ETS) Webinar	2 August
Youth Workshop	4 August
ENGO Workshop	5 August
Māori Workshop	7 August
Local and Central Government Webinar	12 August
Emissions Trading Scheme (ETS) Webinar	14 August

Find out more about our emissions reduction plans

environment.govt.nz/erp



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Environment
Manatū Mō Te Taiao



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Thank you

For questions contact: ERPConsultation@mfe.govt.nz



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