



EVENT BRIEFING

Climate Priorities Ministerial Group – May 2024

Date:	17 May 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-3385

Action sought		
	Action sought	Deadline
Hon Simeon Brown Minister for Energy	Note the contents of this briefing, to support your attendance at the Climate Priorities Ministerial Group meeting on 20 May 2024 at 7:30pm.	20 May 2024

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Scott Russell	Manager, Energy Use Policy	9(2)(a)	✓
Lorenz Maggaard-Romano	Policy Advisor, Energy Use Policy		

The following departments/agencies have been consulted
Ministry of Transport

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Climate Priorities Ministerial Group – May 2024

Date:	17 May 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-3885

Purpose

To provide background information and talking points for the Climate Priorities Ministerial Group (CPMG) meeting on 20 May 2024 at 7:30pm. This briefing covers both your Energy and Transport portfolios.

Recommendations

The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** the contents of this briefing, to support your attendance at the Climate Priorities Ministerial Group meeting on 20 May 2024 at 7:30pm.

Noted

- b **Note** that officials from the Ministry of Transport have contributed to this briefing as requested by your office.

Noted

9(2)(a)

Scott Russell
Manager, Energy Use Policy
Building, Resources and Markets, MBIE

17/05/2024

Hon Simeon Brown
Minister for Energy

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Meeting purpose and logistics

Date:	20 May 2024	Time:	7:30pm – 8:15pm
Location:	Ministerial Meeting Room, L2 Executive Wing		
Agenda:	Climate Strategy Developing the second Emissions Reduction Plan (ERP2) May 2024 Quarterly report from the Climate Change Interdepartmental Executive Board		

1. This is the second CPMG meeting. The first meeting on 25 March 2024 established the CPMG with the purpose of driving delivery and results across the Government’s climate change work programme to ensure we achieve New Zealand’s international and domestic mitigation commitments and adaptation goals.
2. This meeting is an opportunity for you to provide your colleagues with an overview of the energy and transport policy proposals included in the ERP2 Discussion Document.
3. The remainder of this briefing provides background information and talking points on the topics outlined in the meeting agenda. We can provide you with a further briefing at you Monday 20 May Energy Officials meeting if required.

Item 1: Climate Strategy

4. We understand this CPMG meeting will focus on the Minister of Climate Change’s Climate Strategy Cabinet Paper, which has been circulated separately for Ministerial consultation.
5. The paper sets out a high-level overarching framework to guide delivery of the Government’s climate work programme and is scheduled to be considered by Cabinet in late May. ERP2 will build on the pillars in the strategy. Both energy and transport sit under the ‘Clean Energy’ heading.

Item 2: Developing the second Emissions Reduction Plan

6. The purpose of this item is to discuss the suite of policies proposed to be included in the ERP2 discussion document. Please refer to supporting document *Paper 2.1 Developing the second emissions reduction plan (ERP2) in the CPMG materials*.
7. The Cabinet Paper seeking approval to release the ERP2 Discussion Document is currently expected for Cabinet consideration on 10 June 2024. Officials will continue to work with the Ministry for the Environment to refine content to meet this deadline.
8. As part of this, the discussion document will be split into a main discussion document and a supplementary document (as signalled in the Transport Weekly Report). The main document will contain the substantive policies and initiatives being put forward for consultation and be limited to around 50 pages. The supplementary document will contain additional material related to adaptation, distributional impacts, and any emissions projections.
9. It is possible that this timeframe may shift, dependant on discussions at CPMG.

Energy content

10. On 9 May 2024 we sent you the updated energy content for ERP2 consultation [2324-3256 refers]. The key initiatives included in the draft energy content for consultation are:
 - a. Restoring confidence in security of supply and affordability as the energy system decarbonises, recognising end users will not have the confidence to switch to electric technologies without reliable, affordable electricity supply.
 - b. Enabling a smarter electricity system, which will support security of supply, affordability, and emissions reductions.
 - c. Enabling electrification and supporting New Zealand to double its supply of renewable energy, by cutting red tape including consenting barriers to increase investment.
 - d. Enabling other low-emission fuels and carbon-capture technology, including through addressing regulatory barriers to carbon capture, utilisation, and storage.
11. At the time of writing we have received further direction on the energy content from your office, and plan to discuss how we are addressing your feedback with you on Monday 20 May.

Transport content

12. On 30 April 2024, you confirmed the latest changes of the transport content for the ERP2 consultation document. The key initiatives included in the draft transport content for consultation are:
 - a. Pillar of transport decarbonisation: Electric vehicle (EV) charging infrastructure.
 - i. Facilitating private investment in EV charging infrastructure
 - ii. Reviewing the Government co-investment approach to ensure it is fit for purpose and targeted
 - b. Supporting Action: Improving the average emissions of the light fleet through importer standards by
 - i. Reviewing the Clean Car Importer Standard to ensure it is achievable
 - c. Supporting Action: Heavy (trucks) vehicle decarbonisation
 - i. Reviewing Vehicle Dimension and Mass (VDAM) Rules to remove barriers to zero-emissions heavy vehicles (ZEVHs), which are heavier and larger than comparable internal combustion (ICE) trucks
 - ii. Consider the public charging needs for heavy vehicles
 - d. Supporting Action: Aviation and maritime decarbonisation facilitating industry discussions through existing forums and considering removing regulatory barriers, this could involve:
 - i. Working with other like-minded countries to support the supply and uptake of sustainable aviation fuel (SAF)
 - ii. Continue working with other like-minded countries to put in place the conditions to allow low- or zero-carbon shipping on key trade routes by 2035
 - e. Wider public transport initiatives in our main cities

13. Consistent with your feedback, the transport chapter also continues to emphasise the ETS as the primary tool for delivering emissions reductions across the sectors it covers.

Suggested talking points:

- *Electrify NZ and Supercharging EV Infrastructure are the key elements for energy and transport, supported by consultation on removing some other regulatory barriers.*
- *The effectiveness of the ETS underpins the approaches to transport and energy – I expect the discussion document to provide clear signals of what the ETS is expected to achieve in the second Emissions Budget.*

Item 3: 2024 Quarterly report from the Climate Change Interdepartmental Executive Board

14. We expect this Item will note the requirements for ERP2 to set out the policies and strategies to meet Emissions Budget 2. It may also provide an overview of the interim projections to be included in ERP2 consultation. We understand Ministers will receive a separate paper on sufficiency analysis – which indicates that meeting Emissions Budget 2 and 3 has become more challenging. Energy officials are continuing work to model the potential emissions impacts of proposed ERP2 policies, including Electrify NZ.
15. We will continue to update you as projections develop. As the potential emissions impacts of ERP2 policies are refined projections will provide more clarity on the state of progress towards meeting emissions budgets.