

The New Zealand Emissions Trading Scheme

History and reforms

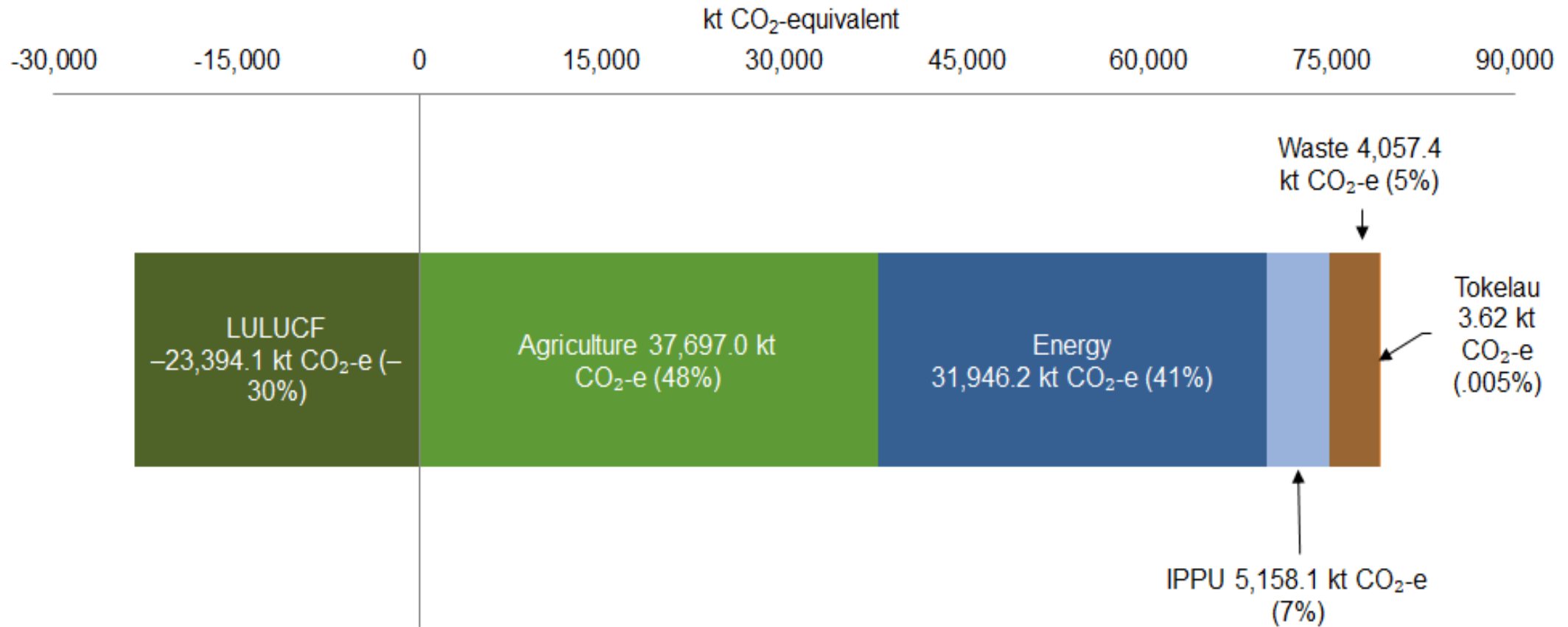


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New Zealand emissions profile

Emissions by sector in 2018



ETS features

Introduced from 2008 to 2013

Concepts of the NZ ETS:

- **Broad coverage**
- **Reporting and spot auditing**
- **Targeted industrial allocation**
- **Connected to Kyoto system during first commitment period**

NZ ETS participants and coverage

Sector	Number of participants	Sector coverage
Liquid fossil fuels	5	Fully covered
Stationary energy	81	Fully covered
Industrial processes and HFC imports	42	Fully covered
Waste	32	Partial
Agriculture	77	Reporting obligations only
Non-forest removals	18	Export or destroy
Refrigerants in products	None	Levy approximating ETS cost
Forestry	Over 2200	Partial

Reforms 2019-21

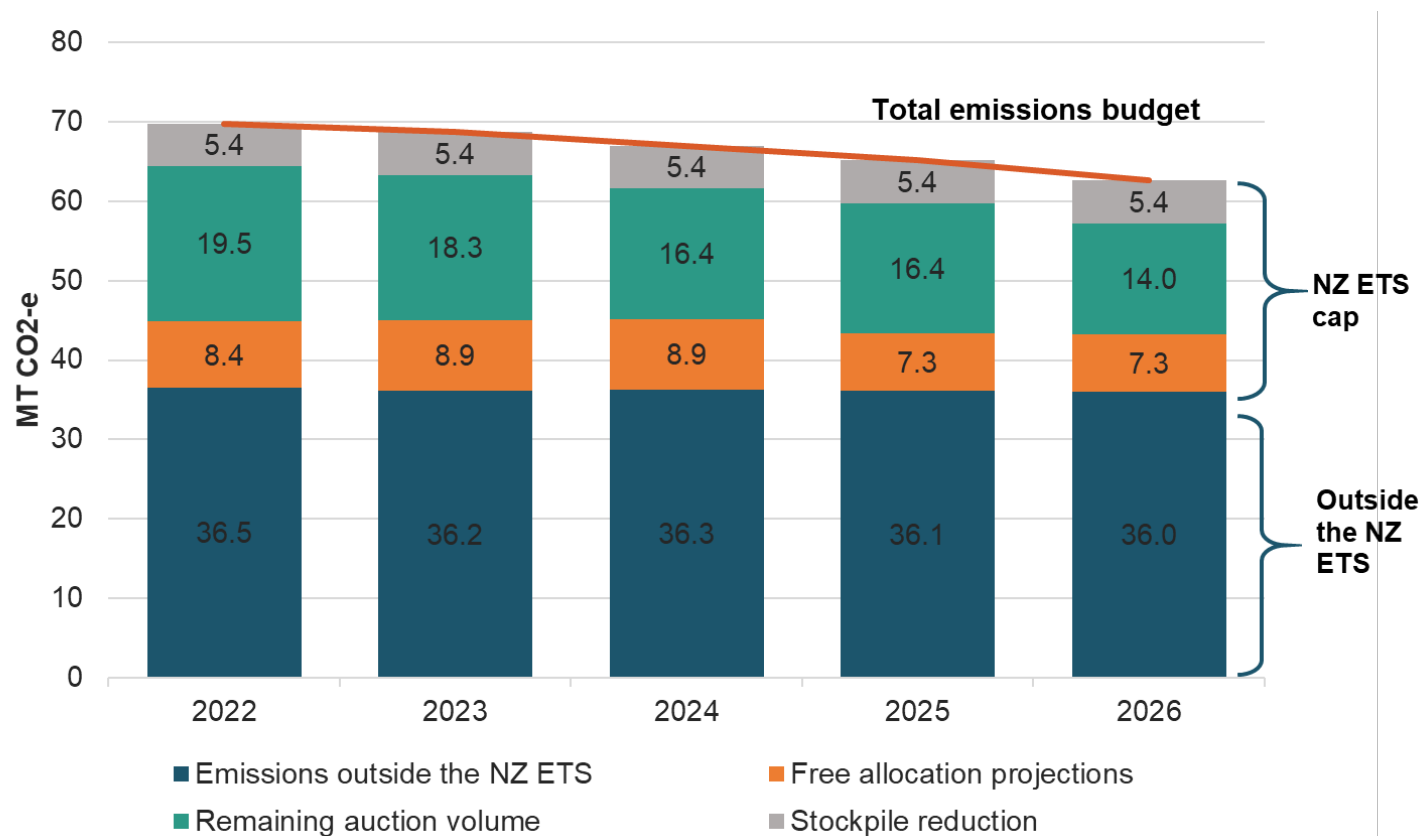
Legislating for climate change goals and reforming the NZ ETS



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Capping emissions – matching to budget

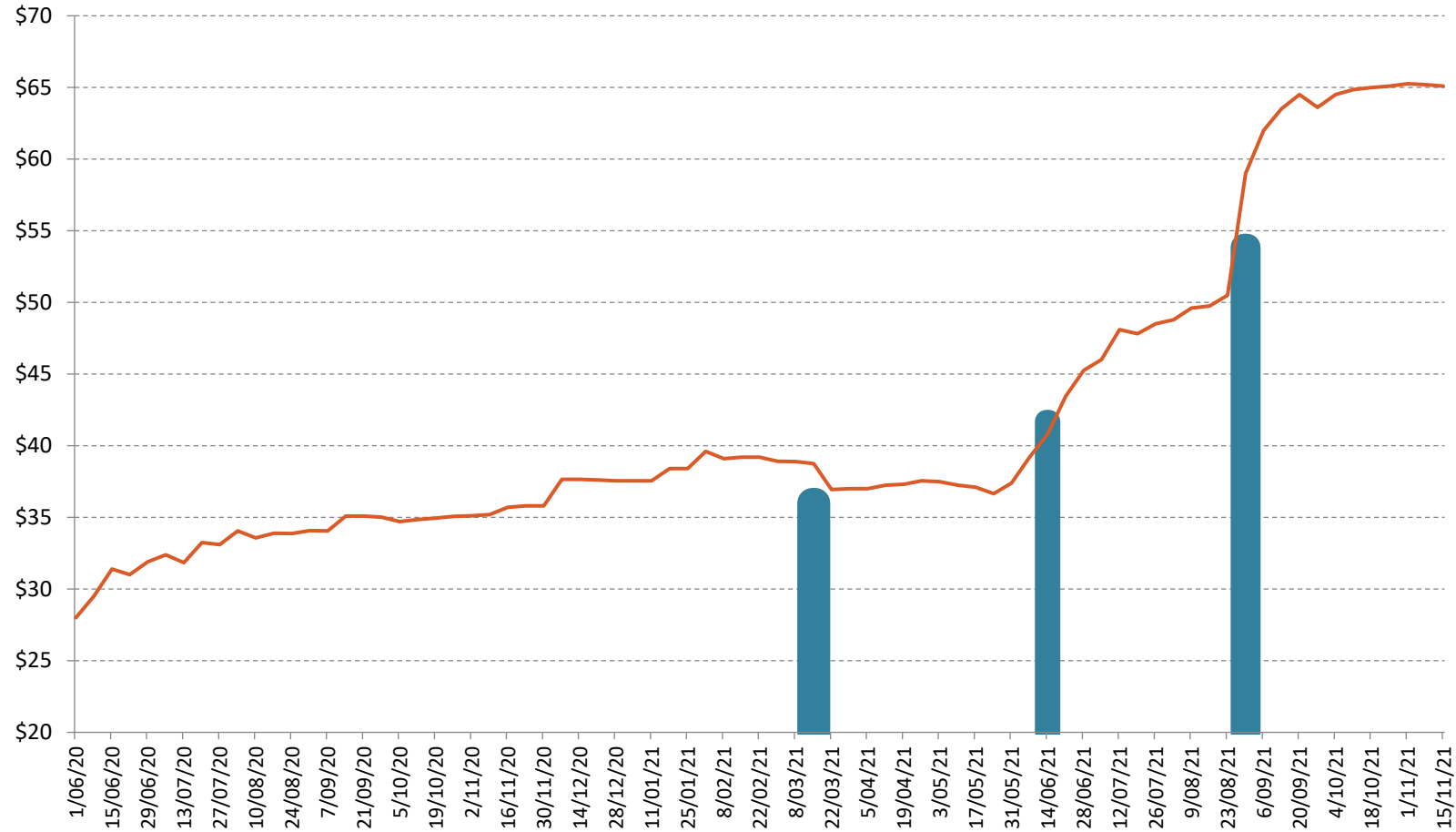
Provisional supply of emission units



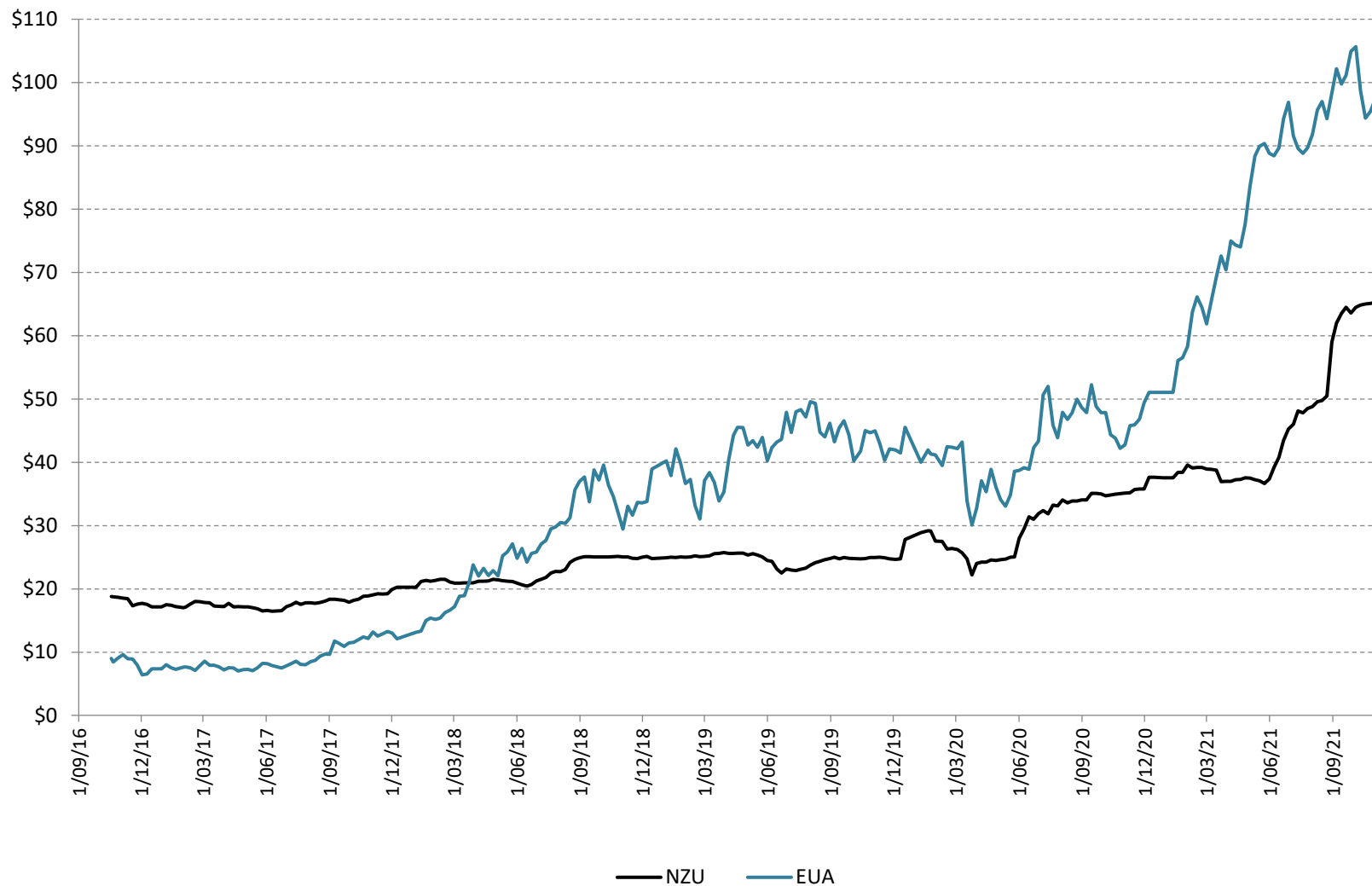
Other ETS reforms

- Industrial allocation phasing down from 2021
- Cost containment reserve and reserve prices
- Increasing penalties
- Market oversight

NZU prices over the last 18 months



NZU prices over the last 5 years





Pātai | Questions?



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