Climate Change (Auctions, Limits, and Price Controls for Units) Amendment Regulations 2023

Cindy Kiro, Governor-General

Order in Council

At Wellington this 4th day of September 2023

Present:
Her Excellency the Governor-General in Council

These regulations are made under section 30GB of the Climate Change Response Act 2002—

(a) on the advice and with the consent of the Executive Council; and

(b) on the recommendation of the Minister of Climate Change made after—

(i) complying with sections 3A, 3B, 30GB, and 30GC of that Act; and

(ii) considering the matter referred to in section 30H(3)(b) of that Act.

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Regulations

1 Title

These regulations are the Climate Change (Auctions, Limits, and Price Controls for Units) Amendment Regulations 2023.

2 Commencement

(1) Regulations 4, 5, and 6(1) come into force on 1 November 2023.

(2) Regulation 6(2) comes into force on 1 January 2024.

3 Principal regulations

These regulations amend the Climate Change (Auctions, Limits, and Price Controls for Units) Regulations 2020.

4 Regulation 3 amended (Interpretation)

(1) In regulation 3(1), definition of **prescribed minimum price**, replace “15(a)” with “15(1)(a)”.

(2) In regulation 3(1), definition of **trigger price**, replace “15(b)” with “15(1)(b)”.

5 Regulation 13 amended (Meanings of cumulative volume, distributed volume, and reserve volume)

In regulation 13(1), definition of **reserve volume**, paragraph (a), replace “15(c)” with “15(1)(c)”.

6 Schedule 3 amended

(1) In Schedule 3, replace the limits table and the price control settings table with the corresponding tables set out in Schedule 1 of these regulations.

(2) In Schedule 3, replace the limits table and the price control settings table with the corresponding tables set out in Schedule 2 of these regulations.

Schedule 1
Schedule 3 amended

r 6(1)

Limits

Column 1 Calendar year	Column 2 New Zealand units available by auction (millions)	Column 3 Approved overseas units used (millions)	Column 4 Overall limit on units (millions)
2023	23.0	0.0	29.2
2024	21.8	0.0	27.9
2025	19.7	0.0	25.8
2026	17.2	0.0	23.2
2027	15.0	0.0	20.9

Price control settings

Column 1 Calendar year	Column 2 Minimum price below which units must not be sold by auction ($)	Column 3 Trigger price for sale of reserve amount of New Zealand units ($)	Column 4 Reserve amount of New Zealand units (millions)
2023	60	173	2.9
		216	5.1
2024	64	184	2.8
		230	4.9
2025	68	194	2.6
		243	4.5
2026	72	205	2.3
		256	4.2
2027	75	215	2.1
		269	3.8

Schedule 2
Schedule 3 amended

r 6(2)

Limits

Column 1 Calendar year	Column 2 New Zealand units available by auction (millions)	Column 3 Approved overseas units used (millions)	Column 4 Overall limit on units (millions)
2024	21.8	0.0	27.9
2025	19.7	0.0	25.8
2026	17.2	0.0	23.2
2027	15.0	0.0	20.9
2028	12.3	0.0	18.1

Price control settings

Column 1 Calendar year	Column 2 Minimum price below which units must not be sold by auction ($)	Column 3 Trigger price for sale of reserve amount of New Zealand units ($)	Column 4 Reserve amount of New Zealand units (millions)
2024	64	184	2.8
		230	4.9
2025	68	194	2.6
		243	4.5
2026	72	205	2.3
		256	4.2
2027	75	215	2.1
		269	3.8
2028	79	226	1.9
		283	3.4

Rachel Hayward,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations amend the Climate Change (Auctions, Limits, and Price Controls for Units) Regulations 2020 (the **principal regulations**). There are 2 main amendments, which commence in 2 stages.

First, these regulations replace the tables in the principal regulations (which currently prescribe unit limits and price control settings for 2023 to 2027) with revised limits

and settings for 2023 to 2027. That amendment comes into force on 1 November 2023. Ordinarily, regulations prescribing unit limits and price control settings come into force no earlier than 3 months after the date of their publication under the Legislation Act 2019 (*see* section 30H(3)(a) of the Climate Change Response Act 2002). However, in light of the High Court's decision in *Lawyers for Climate Action NZ Incorporated v Minister of Climate Change* [2023] NZHC 1835, the Minister of Climate Change considers it in the national interest that revised 2023 to 2027 limits and settings be prescribed urgently (*see* section 30H(3)(b) of the Climate Change Response Act 2002).

Second, these regulations replace the tables in the principal regulations (as inserted by the above amendment) with the limits and settings for 2024 to 2028. That amendment comes into force on 1 January 2024.

These regulations also update cross-references.

Regulatory impact statement

The Ministry for the Environment produced a regulatory impact statement on 20 July 2023 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/new-zealand-emissions-trading-scheme-2023-update-to-unit-limits-and-price-control-settings/
- https://treasury.govt.nz/publications/informationreleases/ris

Issued under the authority of the Legislation Act 2019.
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These regulations are administered by the Ministry for the Environment.

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