



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Industrial Allocation for Producing Refined Petroleum Products

Portfolio Climate Change

On 12 March 2020, the Cabinet Environment, Energy and Climate Committee (ENV):

- 1 **noted** that the New Zealand Refining Company Limited (Refining NZ) currently has a Negotiated Greenhouse Agreement (NGA) with the Crown and is accordingly exempt from participation in the New Zealand Emissions Trading Scheme (NZ ETS);
- 2 **noted** that the NGA expires at the end of 2022 and Refining NZ will become a mandatory participant in the NZ ETS and face emission costs;
- 3 **noted** that in August 2017, the previous government agreed to provide assistance to Refining NZ through a data notice made under section 161D of the Climate Change Response Act 2002 (the Act) to establish eligibility for producers of refined petroleum products in relation to eligible industrial activities, and regulations made under existing powers in the Act which will specify an allocation baseline [EGI-17-MIN-0205];
- 4 **noted** that the Minister for Climate Change has consulted Refining NZ under section 161F of the Act, as required before notifying the activity in the Gazette under section 161D;
- 5 **noted** that the Minister for Climate Change issued a data notice under s161D of the Act in October 2018 for the activity of producing refined petroleum products;
- 6 **approved** the making of regulations under section 161A of the Act, prescribing activity of producing refined petroleum products as an eligible industrial activity and approve the activity description, prescribed product, emissions intensity classification and allocative baseline set out in the appendices to the paper attached under ENV-20-SUB-0007;
- 7 **invited** the Minister for Climate Change to issue drafting instructions to the Parliamentary Counsel Office to draft regulations;
- 8 **invited** the Minister for Climate Change to present a further paper to the Cabinet Legislation Committee seeking approval of the regulations prescribing the eligible industrial activity under the Act;
- 9 **s 9(2)(b)(ii)** [REDACTED]

10 s 9(2)(b)(ii) [Redacted]

11 **invited** the Minister for Climate Change to present a further paper to ENV by the end of June 2020 containing a terms of reference for a review of industrial allocation policy including possible updating of allocative baselines.

Vivien Meek
Committee Secretary

Present:
Rt Hon Winston Peters
Hon Dr Megan Woods
Hon David Parker (Chair)
Hon Nanaia Mahuta
Hon James Shaw
Hon Eugenie Sage

Officials present from:
Office of the Prime Minister
Officials Committee for ENV

Hard-copy distribution:
Minister for Climate Change

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