



Ref: OIA 2025-005

09 May 2025

Tēnā koe [REDACTED]

Thank you for your request of 8 April 2025 seeking the following information under the Official Information Act 1982 (the Act):

“All discussion documents / advice / briefings created by the Commission concerning the gap between domestic emissions reductions and the Nationally Determined Contribution target from September 1, 2024, to the present day. This includes, but is not limited to, information relating to the projected (approx) 84 million tonnes of carbon dioxide equivalent (Mt CO₂-e) gap.

Specifically, I am interested in any materials that discuss:

- *The size and nature of the emissions reduction gap*
- *Strategies for closing the gap including the use of international carbon markets*
- *Potential impacts of failing to meet the Nationally Determined Contribution target*
- *Updates or changes to the projected emissions reduction gap”*

The Commission has considered your request in accordance with the Act.

Response

It is important to note that the Commission is not responsible for setting Aotearoa New Zealand's Nationally Determined Contribution (NDC) under the Paris Agreement nor advising on the level at which the NDC should be set. How Aotearoa New Zealand meets its NDC, strategies for meeting it and potential impacts of failing to meet it, are all outside the scope of the Commission's work programme.

As you may be aware, the latest ETS Report and Technical annexes are all publicly available [here](#). You may find [Technical Annex 3: Assessment of Accordance](#) of assistance.

I have identified the following relevant information within the scope of your request and provide it, as follows:

1. An excerpt from a Commission Board paper, dated 24 September 2024, regarding the final scope for NZ ETS settings advice (2060-2030 period) which compares the Government's final settings with the Commission's previous advice:

“A final point of interest in the unit limit settings is the Government’s approach to step 2: Allocate volume to NZ ETS and non-NZ ETS sectors (“setting the emissions cap”). The Government chose not to tighten the emissions cap to avoid waterbed effects (for example, connected with the NZ Steel EAF project), further reduce risk to emissions budgets, and support achievement of the NDC. In the Cabinet paper on the NZ ETS settings decision, the Minister states that he “considered that this option pre-empts Cabinet discussions about our approach to the NDC”.

2. A slide from the PowerPoint presentation to the Board, (24 September 2024) on NZETS settings, to support the paper above. (**Document 1**. Slide 5)
3. Two slides from a PowerPoint presentation from a workshop with the Commission Board on 23 October 2024 fall within the scope of your request. We have redacted some information in reliance on section 9(2)(g)(i) in order to maintain the effective conduct of public affairs through the free and frank expression of opinions, in this case between Commission staff and the Commissioners. We consider that there is no countervailing public interest in its release. **Document 2** Slides 17&19.
4. Excerpts from a Commission Board paper in November 2024, referencing an amendment to the scope of 2025 NZ ETS settings, with statements within the scope of your request as follows:

“17. Finally, the revised April deadline for the delivery of the 2025 NZ ETS settings advice means that two other NDC-related developments will likely also need to be considered. These had previously been determined to be out of scope as their release dates were after the original date by which our analysis had to be completed and final Board decisions had to be made (26 November) to meet the February delivery deadline.

18. These are:

- *further information about the Government’s plans for meeting NDC1, including information that may emerge in the Biennial Transparency Report (BTR) due by the end of December 2024, and*
- *the Government’s decision on the second NDC, if it is announced in time to be considered in this 2025 advice (we note that it is due to be communicated internationally by 10 February 2025).*

[...]

23. *At that time, we also signalled issues that were out-of-scope, but which could prompt a need for changing the project’s scope if certain new information became available. The types of developments previously flagged as having the potential to create a need to re-scope included:*

- *New information about the Government’s approach to meeting the first NDC arising from the Government’s process for setting ERP2 or from the first Biennial Transparency Report under the Paris Agreement (due Dec 2024). This could create a need to revisit the approach to unit limits step 1 (according unit limits with targets), with potential flow on effects for the price control settings.”*

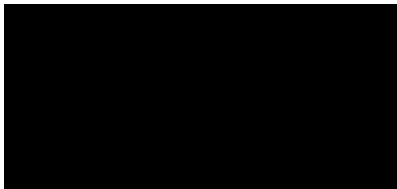
5. Excerpts from a briefing note to MfE on NZ ETS settings outlining the Commission’s final judgements and recommendations, that are within the scope of your request. (See **Document 3** Briefing to MfE).
6. Excerpts from a Board Paper in March 2025 referencing judgements and recommendations for 2025 NZ ETS Unit Limit and Price Control settings advice (2026-2030) that fall within the scope of your request, see **Document 4** Board Paper March 2025. Please note that a later version of this information is available publicly in Technical Annex 3, published alongside the NZ ETS settings report, all of which can be found at the link above.

7. A slide from a PowerPoint presentation at a Technical Evidence and Assurance Committee (TEAC) workshop on 5 March that falls within the scope of your request, has been withheld in reliance on section 9(2)(h) as the information is subject to legal privilege and we consider that there is no countervailing public interest in its release. TEAC is a technical sub-committee of the Commission's Board.

You have the right to seek an investigation and review of this response by the Office of the Ombudsman, in accordance with section 28(3) of the Act. Contact details for the Ombudsman can be found on their website at: www.ombudsman.parliament.nz

Please note that the Commission proactively releases its responses to requests made under the Act. This is to help ensure others can also have access to this information. As such, this letter will shortly be published on our website with your name and contact details redacted to protect your privacy.

Nāku noa, nā



Astrid Nunns
General Manager, Corporate Accountability and Operations

Annex One**Document schedule**

	Document	Date	Information in scope	Decision
1	Excerpt in letter	24 September 2024	Board paper (excerpt)	Some information in scope excerpt provided
2	Doc 1	24 September 2024	Slide 5	Information in scope - released in full
3	Doc 2	October 2024	Draft Board workshop slides 17 & 19	Some information withheld under s.9(2)(g)(i)
4	Excerpt in letter	November 2024	Board paper (excerpt)	Some information in scope - excerpt provided
5	Doc 3	undated	Briefing note for MfE	Information in scope – released in full
6	Doc 4	March 2005	Board Paper	Information in scope – released in full
7	Slide (withheld)	5 March 2025	TEAC workshop – slide 10	Withheld under s. 9(2)(h)