



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

The Emissions Reduction Plan and development of an Energy Strategy

MEUG Monthly Meeting

25 May 2022



Agenda

#	Item
1	Emissions Reduction Plan – overview and key new initiatives
2	Developing an energy strategy
3	Discussion – your views on the energy strategy

Emissions Reduction Plan

Context setting: Emissions Reduction Plan

Contributing to global efforts to limit warming to 1.5° C

Emissions reduction Targets

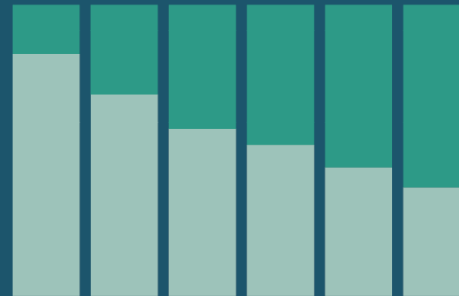
By 2050:

Long-lived greenhouse gas
emissions are net zero

Biogenic methane emissions
Are 24-47% below 2017 levels

Emissions budgets

Interim targets that step
towards 2050



EB1 = 290 Mt CO₂e

EB2 = 305 Mt CO₂e

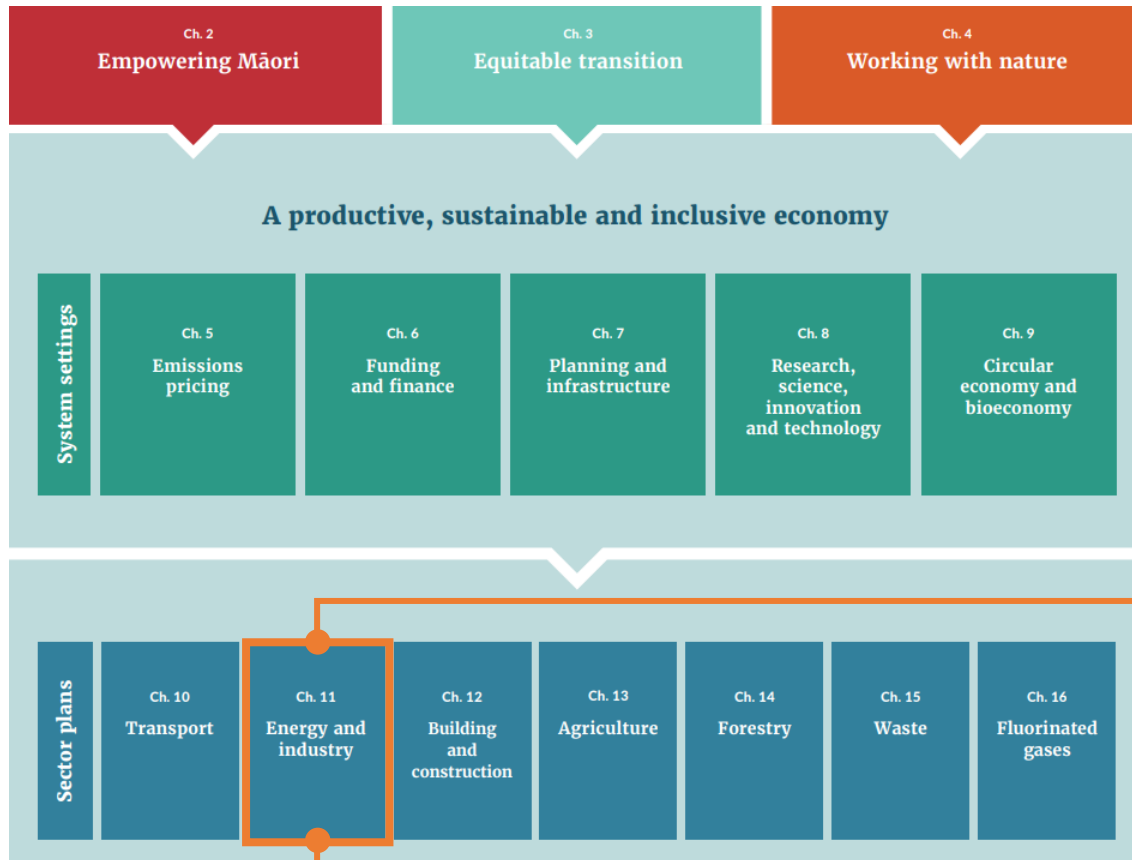
EB3 = 240 Mt CO₂e

Emissions reduction plans

The policies and strategies to
achieve the emissions budgets



How Energy and Industry fits in the ERP



Core actions in chapter 11 around 5 Focus Areas:

1. Use energy efficiently and manage demand for energy
2. Ensure the electricity system is ready to meet future needs
3. Reduce our reliance on fossil fuels and support the switch to low-emissions fuels
4. Reduce emissions and energy use in industry
5. Strategic approaches and targets to guide us to 2050

Linked actions are located throughout the ERP:

- | | |
|--------|---------------------------------|
| Ch. 3 | Equitable transition |
| Ch. 9 | Circular Economy and Bioeconomy |
| Ch. 10 | Transport |
| Ch. 12 | Building and Construction |
| Ch. 14 | Forestry |
| Ch. 15 | Waste |

2050 Vision: Aotearoa New Zealand will have a highly renewable, sustainable and efficient energy system supporting a low-emissions economy

The key new Energy & Industry actions

- Focus area 1: Use energy efficiently and manage demand for energy

Rebates for businesses installing high energy efficiency equipment

Warmer Kiwi Homes extended to help low income NZers achieve warmer drier homes


- Focus area 2: Ensure the electricity system is ready to meet future needs

Develop regulatory settings to enable investment in offshore renewable energy

Explore government Power Purchase Agreements

Investigate Electricity Market Measures to support transition to a highly renewable system

Funding for community based renewable energy projects

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- Focus area 3: Reduce our reliance on fossil fuels and support the switch to low emissions fuels

Develop a gas transition plan by end 2023

- Focus area 4: Reduce emissions and energy use in industry

Develop an action plan for decarbonising industry

Significantly expand the GIDI programme

Develop a framework for addressing emissions from single firm hard to abate industries

- Focus area 5: Strategic approaches and targets to guide us to 2050

Set a target of 50% energy use from renewable sources by 2035

Develop an energy strategy by end 2024

Developing an energy strategy

Developing an energy strategy by end 2024

“The Government will develop strategies to achieve its vision for a net-zero economy in 2050, where energy is accessible and affordable, secure and reliable, and supports New Zealanders’ wellbeing.”

This includes developing an energy strategy to address strategic challenges in the energy sector, and signal pathways away from fossil fuels.”

Some of the ideas we have heard already

- Stakeholders want more engagement and opportunities for input (than the standard consultation paper process)
 - Early discussions and clarity on scope will be important
 - A good strategy will require a clear vision and objectives
 - Don't forget the trilemma: it's fundamental that New Zealand has an affordable, secure, and reliable energy system
 - An energy strategy should be enduring (not just a short term plan)
 - A strategy should help with prioritisation – what are the most urgent actions?
 - A strategy should identify the critical enablers to realise the transition (or barriers standing in the way of the transition)
 - An energy strategy needs to confront the energy trade-offs
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Discussion

- How do you want to be involved? What does good engagement and involvement look like for you?
 - What does an energy strategy need to do at a minimum? What's the value-add of an energy strategy?
 - What should an energy strategy not do?
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