

Proposed Changes to the New Zealand Emissions Trading Scheme Regulations 2026

Summary of Submissions

Ngā Huringa e Marohitia ana ki ngā Waeture Kaupapa Hokohoko Tukunga o Aotearoa 2026

Whakarāpopoto Tāpaetanga



**Ministry for Cities, Environment,
Regions & Transport**

New Zealand Government
Te Kāwanatanga o Aotearoa

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Introduction

From 12 June 2026 to 12 July 2026, the Government consulted on proposals to update regulations that govern the New Zealand Emissions Trading Scheme (ETS). Simultaneously, the Government consulted on annual updates to ETS unit limits and price control settings. This included two webinars held on 24 June and 1 July 2026.

This report summarises the views expressed through these consultations. It does not analyse the feedback or provide recommendations in response to them. Input from submissions was incorporated into policy development and advice to the Minister of Climate Change.

Who responded to the consultation

We received 38 unique submissions across both consultations. Some submitters responded to both consultations and others just one.

Proposed changes to New Zealand Emissions Trading Scheme regulations 2026

We received 16 unique submissions on proposed changes to the ETS regulations 2026 through the consultation platform Citizen Space and email.

Table 1 sets out the number of submissions from individuals and groups. Submitters self-reported which groups they represented, therefore, numbers in the table below may not add up to the total number of submissions.

Table 1: Number of submissions by self-reported submitter group

Submitter type	Number
Individual	–
Academic or subject matter expert	2
Iwi/hapū	1
Local government	4
Business	7
Industry body	2
Non-governmental organisation	2
Other	–

Proposed changes to ETS regulations

Proposals consulted on included:

- technical updates relating to default emissions factors for 2027 that are based on recent data
- waste updates that affect waste sector participants and remediation projects for historic contaminated waste.

The updates seek to maintain the accuracy of, and confidence in, the ETS.

Technical updates

Proposals in this section focused on updating DEFs to reflect the most recent data.

Proposal 1: Update the DEFs for natural gas activities

The consultation document included a table of proposed DEFs for natural gas activities in 2027.

We asked if there was support for updating the DEFs as presented in the table. There were six responses to this question.

- Five submitters supported updating the natural gas DEFs.
- Two submitters encouraged the Ministry to publish key details about the data used to update the DEFs including the data period, method, key assumptions and any corrections applied.
- One submitter did not support updating them. No explanation was given.

The consultation document also asked if the public had any feedback or relevant evidence about the proposed update to DEFs for natural gas fields in the Climate Change (Stationary Energy and Industrial Processes) Regulations 2009 (SEIP Regulations). There were no responses to this question.

Proposal 2: Update the DEFs for geothermal activities

The consultation document included a table of proposed DEFs for geothermal activities in 2027.

We asked if there was support for updating the DEFs as presented in the table. There were four responses to this question.

- Three submitters supported updating the geothermal DEFs.
- One submitter did not support updating them. No explanation was given.

The consultation document also asked if the public had any feedback or relevant evidence about the proposed update to DEFs for geothermal fields in the SEIP Regulations. There were no responses to this question.

The consultation document sought feedback on the approach to calculating a DEF for new plants and on plant naming conventions in the geothermal DEF table. There were two responses to these questions.

- One submitter agreed with the approach to calculating DEFs for new plants while one did not. No further comments were provided.
- One submitter said that their plant name was accurately reflected in the regulations while one indicated it was not but did not elaborate. No further comments were provided.

Proposal 3: Update the DEFs for liquid fossil fuels

The consultation document included a table of proposed DEFs for liquid fossil fuels in 2027.

We asked if there was support for updating the DEFs as presented in the table. There were four responses to this question.

- Three submitters supported updating liquid fossil fuel DEFs.
- One submitter did not support updating them.

The consultation document also asked if the public had any feedback or relevant evidence about the proposed update to DEFs for liquid fossil fuels in the Climate Change (Liquid Fossil Fuel) Regulations 2008.

- One submitter requested that a materiality threshold of 0.5 percent be applied when considering updates.

Waste updates

The proposals in this section would impact waste disposal activities. They included updates to the default emissions factor for waste, changes to unique emissions factor settings, and an ETS exemption for the disposal of waste from remediated historic contaminated sites.

Some general feedback was received that applied to all proposals. This included a recommendation from two submitters to establish a standing technical advisory group on landfill methane and ETS waste settings, while other submitters requested further engagement with landfill operators when developing longer-term options.

One out of scope submission was received. It sought an alternative ETS reporting pathway for waste-derived fuels.

Proposal 4: Update the DEF for waste

The consultation document presented four options for improving the accuracy of the DEF for waste:

Option 1: Status quo.

Option 2: Minor increase to organics component of national composition.

Option 3: Range approach based on activity source categories accepted at site.

Option 4: Range approach based on landfill size and class.

Eleven submissions were received across these four options.

- Eight submitters supported option 2, with three of those submitters considering that both option 2 and option 3 should be progressed, with option 2 as a short-term change while option 3 is developed. These submitters felt that landfill gas efficiency claims are more accurate when based on site-specific composition data.
- A further two submitters supported progressing option 3 primarily, and one submitter preferred option 4. One further submitter expressed no preference between option 2, 3, or 4, noting all were preferable to the status quo.
- One submitter noted that activity source data is already being collected so implementation should be straight forward, although another disagreed that this data was able to be clearly translated into the IPCC activity categories used in modelling. One technical expert submitter noted that activity source categories are in use to estimate composition overseas, but this is based on more robust data than is currently available in New Zealand.
- Several submitters considered the range-based approach to be more complex than the current single DEF value, and that it would introduce new requirements for landfill operators so would need clear technical justification.

Most submitters (64 percent) noted that additional evidence needs to be procured and developed to accurately implement any change, particularly option 3. Specific suggestions included:

- ensuring consideration of how climactic conditions, the presence of geomembrane layers, and other specific design parameters may also impact gas generation and leakage in the development of any DEF change
- assessing not only what waste is landfilled, but at what point methane is generated by each waste type and whether each stage is captured by landfill gas capture
- any Solid Waste Analysis Protocol audits undertaken to determine appropriate DEF values should use a sort and weigh methodology, which was seen by several submitters as the most accurate approach and preferable to visual surveys
- engaging directly with landfill operators and weighbridge software operators to align any activity source category-based approach with practices and weighbridge codes already in operation at sites.

Proposal 5: Remove the oxidation factor from UEF applications

The consultation document proposed two options for oxidation factor use by waste participants with an LFG system applying for a UEF.

Option 1: Status quo – leave the oxidation factor at 10 percent.

Option 2: Remove the use of the oxidation factor for waste participants with an LFG system applying for a UEF.

We asked which option was preferred. There were nine responses to this question.

- Six submitters preferred option 2.

- Three submitters preferred option 1. For all three, the preference was to maintain the status quo but clarify how to use the oxidation factor in relation to the formula for calculating a UEF.

We also asked if a one-year delay in implementation was supported. There were nine responses to this question.

- Five submitters supported a one-year delay in implementation, recognising business practices may need to change.
- Four submitters did not support this. Delaying implementation risks further inaccuracies being reported.

Proposal 6: Increase information requirements for UEF applicants with high LFG capture rates

The consultation document proposed a tiered approach to information requirements for waste sector UEF applicants. A higher standard of evidence would be required when operators report high-efficiency landfill gas capture rates, including requiring these operators to use site-specific composition information in their UEF applications. The proposal would enable operators to claim up to 100 percent capture efficiency rates if supported by evidence.

Nine submissions were received on additional information requirements for UEF applicants reporting efficiency rates of 60 percent or more, and 10 submissions were received specifically on the removal of the 90 percent cap.

- No submitters specifically commented on the proposal to require the use of Section 23(D) of the Climate Change (Unique Emissions Factor) Regulations 2009 when applying for a UEF with a landfill gas capture efficiency rate of 60 percent or more.
- Six submitters supported increased information requirements for UEF applicants with higher landfill gas capture rates. One of these submitters queried the technical basis for the proposed 60 percent threshold.
- Three submitters opposed increased information requirements. This was because of complexity for operators and increased compliance costs (in relation to procuring Solid Waste Analysis Protocol surveys). One expressed the view that using site specific waste composition data would be more accurate, but that there would be a significant cost associated with this for site operators, and operators would need to consider the costs of this against the potential benefits of being able to reduce their ETS obligations.
- Six submitters supported the removal of the 90 percent cap. All private sector landfill operators who submitted on the consultation supported this change. Four submitters opposed the removal, citing concerns around the technical feasibility of 100 percent capture rates. These submitters included local government landfill operators and representatives of the resource recovery and biogas sector.
- Seven submitters stated that lifting the 90 percent cap must be accompanied by robust evidence for these claims to be appropriately scrutinised, given the potential reduction in ETS obligations resulting from a 100 percent capture efficiency. Of those who did not state this expectation, two were opposed to the removal, and one thought the initial cap had been arbitrary.

Proposal 7: Exempt the disposal of waste from remediation of historic contaminated sites

The consultation document proposed creating a general ETS exemption for the disposal of waste from historic contaminated sites. The exemption would apply to contaminated waste from sites where Hazardous Activities and Industries List (HAIL) activities ceased before 1991, excluding closed landfill sites already covered by an existing exemption.

We asked whether submitters supported this proposal or preferred no change. There were 10 responses to this question, with submitters ranging from local government, businesses, industry bodies, and one iwi organisation.

- Nine submitters supported creating a general exemption.
- One submitter preferred retaining the status quo.

We also asked for feedback on the proposed 1991 cut-off date. There were eight responses to this question.

- One submitter supported using the 1991 cut-off date.
- Seven submitters did not support using 1991 as the cut-off date. Submitters considered the date arbitrary and not scientifically justified.
- Four submitters suggested using an age-based threshold instead.
- Three submitters suggested using a waste composition-based threshold, with one of these also supporting an age-based threshold.
- Two submitters suggested using an earlier cut-off date, while one suggested aligning the cut-off with 2013, when the ETS began accounting for waste emissions.
- Two submitters recommended including a review clause to periodically reassess the cut-off date if it were used.

We asked whether submitters saw any issues with limiting eligibility to remediated waste from sites where HAIL-verified activities took place.

- Two submitters raised concerns about using HAIL verification as the sole eligibility criterion. They considered this could exclude legitimate remediation projects where records are incomplete, closed landfill material is involved, or contamination is identified through site investigation rather than historic activity records.
- One submitter recommended that the criteria should be clear enough to prevent misuse, while flexible enough to support legitimate remediation projects.
- One submitter supported the HAIL limitation but recommended including a simple organic-content or site-investigation check to ensure material with meaningful residual methane potential is not inadvertently exempted.