

Technical Appendix 2: Process for updates to calculation method, mitigations, sequestration and determining incentives

The Partnership has created a process for updates to the emissions calculation and sequestration methods, adding new mitigations and sequestration opportunities and determining mitigations to be incentivised. The draft New Zealand Greenhouse Gas Inventory¹ update process has been used to inform this.

The proposed process allows any person or organisation to propose a change or addition for emissions calculation or sequestration methods and adding new mitigations or sequestration opportunities to the system.

Changes and additions are brought to the attention of the Implementation Agency, who also proactively identify and seek out any required updates, new mitigations, or sequestration opportunities. The options then undergo an independent assessment through the science and implementation panel. This would draw from a pool of subject matter experts as appropriate. The panel would apply the following considerations and criteria:

- *Scientific credibility* – Is there published research? Is the system applicable to New Zealand farming systems? Would the update have implications for the New Zealand Greenhouse Gas Inventory?
- *Method implementation* – Is a method for measuring available or can one be developed for its inclusion?
- *Data verification* – Can farm data be sourced to support the inclusion; can this data be reliably and cost-effectively audited or verified?

For updates to emissions calculation, sequestration method and approved actions for incentives, the science and implementation panel may provide recommendations on data and research required to support these updates.

The technical recommendation from the science and implementation panel would then be considered by the System Oversight Board and a recommendation made to the Implementation Agency or Ministers (as appropriate) for the change or addition.

Policy settings and direction will be used to inform the final decision to approve or reject the addition or change alongside the science and implementation panel technical recommendation and System Oversight Board recommendation.

If approved the Implementation Agency then proceeds with any required method development, regulatory approval, method incorporation and release.

As the methods used to estimate emissions and sequestration will be regulations under the Climate Change Response Act 2002, any proposed changes that affect these will then go out for public consultation and may be amended because of submissions received. Cabinet will ultimately agree to any regulatory changes.

A number of opportunities have been identified for early consideration for sequestration. These include soil carbon, wetlands, and tussock grasslands.

¹ The New Zealand Greenhouse Gas Inventory is an annual report of all human-induced emissions and removals of greenhouse gases in New Zealand.

Figure 1: Process for updates to calculation method, mitigations, sequestration, and incentives

