



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	Establishing a Terms of Reference for the Gas Transition Plan	Date to be published	12 July 2022

List of documents that have been proactively released

Date	Title	Author
May 2022	<i>Establishing a Terms of Reference for the Gas Transition Plan</i>	<i>Office of the Minister of Energy and Resources</i>
4 May 2022	<i>DEV-22-MIN-0096 Minute</i>	<i>Cabinet Office</i>

Information redacted

NO

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Cabinet Economic Development Committee

Minute of Decision

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Establishing a Terms of Reference for the Gas Transition Plan

Portfolio **Energy and Resources**

On 4 May 2022, the Cabinet Economic Development Committee (DEV):

Background

- 1 **noted** that on 20 December 2021, Cabinet agreed:
 - 1.1 to develop a Gas Transition Plan that will set out the transition pathway for the fossil gas sector and include further measures the government will put into place to ensure an equitable transition;
 - 1.2 that the Gas Transition Plan will also focus on where renewable gases can strategically support hard-to-abate consumers and assist in mitigating overall transition costs;
 - 1.3 that the Minister of Energy and Resources and the Minister of Climate Change will develop a Terms of Reference for the Gas Transition Plan, and will report back to Cabinet in 2022 ahead of the publication of the final Emissions Reduction Plan;
- [CAB-21-MIN-0547.03]
- 2 **noted** that developing a Gas Transition Plan has been recommended by the Climate Change Commission, the Gas Industry Company Limited, and the Gas Infrastructure Futures Working Group;

Terms of reference

- 3 **agreed** to the Terms of Reference for the Gas Transition Plan, attached to the paper under DEV-22-SUB-0096;
- 4 **noted** that the Gas Transition Plan is intended to be a technical and focused plan that will act as an input into the development of a broader Energy Strategy;
- 5 **noted** that the proposed purpose of the Gas Transition Plan is to:
 - 5.1 establish realistic, but ambitious, transition pathways for the fossil gas sector to decarbonise in line with the 2023-2025, 2026-2030, and 2031-2035 emissions budgets, noting the inherent uncertainties involved;

- 5.2 provide a framework to inform and engage with industry and other stakeholders about the future challenges and opportunities for the sector, and to identify areas where further measures may be required to achieve an equitable transition;
- 5.3 establish a strategic view on the potential role for renewable gases, and potential measures for accelerating their uptake;
- 6 **noted** that the Gas Transition Plan is intended to support a transition at pace, in line with the emissions budgets, legislated targets and international obligations, to help reduce future costs and disruptions for future governments, businesses and consumers due to delayed action;
- 7 **noted** that the Gas Transition Plan is proposed to be made up of two pillars:
- 7.1 Pillar One: transition pathways out to 2035 and beyond;
- 7.2 Pillar Two: the role of renewable gases;
- 8 **noted** that the desired outcomes for the overall transition for fossil gas out to 2035 are:
- 8.1 sustainability;
- 8.2 energy security;
- 8.3 energy equity;
- 8.4 emission reductions;
- 8.5 energy conservation and efficiency;
- 9 **authorised** the Minister of Energy and Resources and the Minister of Climate Change to approve minor and editorial changes to the Terms of Reference as the Gas Transition Plan is developed, should this be required, for example to ensure it remains aligned with other strategies that are being developed, such as:
- 9.1 the Energy Strategy;
- 9.2 the Decarbonising Industry Plan;
- 9.3 the Bioeconomy Strategy;
- 10 **noted** that the Ministry of Business, Innovation and Employment will work in conjunction with Gas Industry Company Limited (the gas industry co-regulator) to develop the Gas Transition Plan;
- 11 **noted** that iwi and Māori will be engaged in the development of the Gas Transition Plan to ensure their views are adequately reflected;
- 12 **noted** that consultation with stakeholders, including industry, governmental and non-governmental organisations, and other interested parties is intended to take place at appropriate points in the development of the Gas Transition Plan;
- 13 **invited** the Minister of Energy and Resources to report back to DEV seeking approval:
- 13.1 to undertake consultation on the draft version of the Gas Transition Plan;
- 13.2 of the final Gas Transition Plan;

- 14 **noted** that a Steering Group for the Gas Transition Plan should be made up of senior officials that will be appointed by the Ministry of Business, Innovation and Employment to help ensure that linkages and dependencies with other government workstreams are well managed, and that a broad perspective is incorporated;
- 15 **noted** that:
- 15.1 the Minister of Energy and Resources intends to signal the development of the Gas Transition Plan in the Energy and Industry component of the Emissions Reduction Plan;
- 15.2 the Terms of Reference for the Gas Transition Plan will be published on the Ministry of Business, Innovation and Employment's website, alongside the final Emissions Reduction Plan, in May 2022;
- 16 **noted** that it is intended that the Gas Transition Plan will be developed by the end of 2023.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Chris Hipkins
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Willie Jackson
Hon Dr David Clark
Hon Dr Ayesha Verrall
Hon James Shaw
Rino Tirikatene MP
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV