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NEWS RELEASE

NZX / EEX partnership selected to provide emissions auctions for NZ Government

21 October 2020 – A joint bid by NZX and the European Energy Exchange (EEX) has been selected to develop and operate the managed auction service for the New Zealand Emissions Trading Scheme (NZ ETS) – one of the Government’s main tools for meeting domestic and international climate policy targets.

NZX Chief Executive, Mark Peterson, said the successful bid to the Ministry for the Environment showcased the value of bringing together the deep experience and capabilities of NZX and EEX to implement and operate a solution tailored to meet the needs of New Zealand and NZ ETS participants – and aligned with the design of other emissions markets globally.

Under the terms agreed with the Ministry for the Environment, NZX / EEX will design and implement the platform to manage the regular auctioning of New Zealand emissions units on behalf of the New Zealand Government. The appointment was made following a successful joint tender from the NZX / EEX partnership.

NZX Chairman, James Miller said the partnership with EEX demonstrates the successful commercialisation of NZX’s international alliance strategy.

Development of the managed auction platform is expected to be completed by the first scheduled NZ ETS auction in March 2021.

Secretary for the Environment and Chief Executive of the Ministry for the Environment Vicky Robertson commented: “The New Zealand ETS has been reformed to be more effective to meet our emissions targets and auctioning is an important part of that. We look forward to working with NZX and EEX on implementing this important service.”

Speaking on the appointment, Peter Reitz, EEX’s Chief Executive Officer said: “Carbon pricing is one the most effective ways to reduce emissions. I am confident that the combined synergies and unparalleled experience of NZX and EEX will add a new dimension to the NZ ETS and auctioning will help bring carbon costs into the mainstream of NZ business and the economy.”

NZX and EEX announced a Co-operation Agreement in December 2019, with a focus on securing new opportunities in the New Zealand emissions market. Mr Peterson, said he sees new opportunities opening up as the New Zealand market matures and both NZX / EEX will be jointly exploring further areas for co-operation.

ENDS.

About NZX:

For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies.

NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. Our NZX Wealth Technologies subsidiary is an online asset management platform. Learn more about NZX at: www.nzx.com

About EEX:

The European Energy Exchange (EEX) is the leading energy exchange in Europe which develops, operates and connects secure, liquid and transparent markets for energy and related products. As part of EEX Group, a group of companies serving international commodity markets, EEX offers contracts on Power, Natural Gas, Emission Allowances as well as Freight and Agricultural Products. EEX also provides registry services as well as auctions for Guarantees of Origin, on behalf on the French State.

EEX Group provides market platforms for energy and commodity products across the globe and provides access to a network of more than 650 trading participants. The group offers trading in power, natural gas, environmental products, freight, metal and agriculturals as well as subsequent clearing and registry services. EEX Group consists of European Energy Exchange (EEX), EPEX SPOT, EEX Asia, Power Exchange Central Europe (PXE) and Nodal Exchange as well as the registry provider Grexel Systems and software company KB Tech. Clearing is provided by EEX Group's clearing houses European Commodity Clearing (ECC) and Nodal Clear. EEX Group is based in 17 worldwide locations and is part of Deutsche Börse Group. More information: www.eex-group.com

About the NZ Emissions Trading Scheme:

New Zealand has one of the longest established Emissions Trading Schemes in the world. The scheme aims to encourage people to reduce greenhouse gas emissions over time, to help New Zealand meet its climate change targets. Recent reforms, passed by Parliament earlier this year, are intended to improve certainty for businesses, make the scheme more accessible and improve its administration. For more information see:

www.mfe.govt.nz/climate-change/new-zealand-emissions-trading-scheme/reforming-nz-ets

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