

#45

INCOMPLETE

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Page 1: Introduction

**Q1** Name (first and last name)

Glen Mackie

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**Q2** Email

Privacy of natural persons

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**Q3** Is this an individual submission, or is it on behalf of a group or organisation? **On behalf of a group or organisation**

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**Q4** Which group do you most identify with, or are representing? **Industry and Industry Advocates**

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**Q5** Business name or organisation (if applicable)

NZ Forest Owners Association

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**Q6** Position title (if applicable)

Technical Manager

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**Q7** Important information about your submission (important to read)The information provided in submissions will be used to inform the Ministry of Business, Innovation and Employment's (MBIE's) work on Accelerating renewable energy and energy efficiency.We will upload the submissions we receive and publish them on our website. If your submission contains any sensitive information that you do not want published, please indicate this in your submission.The Privacy Act 1993 applies to submissions. Any personal information you supply to MBIE in the course of making a submission will only be known by the team working on the Accelerating renewable energy and energy efficiency.Submissions may be requested under the Official Information Act 1982. Submissions provided in confidence can usually be withheld. MBIE will consult with submitters when responding to requests under the Official Information Act 1982.We intend to upload submissions to our website at [www.mbie.govt.nz](http://www.mbie.govt.nz). Can we include your submission on the website?

Yes

**Q8** Can we include your name?

Yes

**Q9** Can we include your organisation (if submitting on behalf of an organisation)?

Yes

**Q10** All other personal information will not be proactively released, although it may need to be released if required under the Official Information Act. Please indicate if there is any other information you would like withheld.

Respondent skipped this question

Page 2

**Q11** Where are you located?

Respondent skipped this question

**Q12** In what region or regions does your organisation mostly operate?

All of New Zealand

Page 3: Areas you wish to provide feedback on

**Q13** Part A relates to process heat.Please indicate which sections, if any, you would like to provide feedback on.

Section 1: Addressing information failures,  
Section 2: Developing markets for bioenergy and direct geothermal use  
,  
Section 6: Cost recovery mechanisms

**Q14** Part B relates to renewable electricity generation. Please indicate which sections, if any, you would like to provide feedback on.

**Section 7: Enabling renewables uptake under the Resource Management Act 1991**

,

**Section 9: Facilitating local and community engagement in renewable energy and energy efficiency**

,

**Section 11: Local network connections and trading arrangements**

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Page 4: Section 1: Addressing information failures

**Q15** Option 1.1 would require large energy users to report their emissions and energy use annually, publish Corporate Energy Transitions Plans and conduct energy audits every four years. Do you support this option?

**Yes - I fully support this option**

**Q16** Please explain your answer

**Respondent skipped this question**

**Q17** Which parts (set out in Table 3) do you support?

**Target group - companies with an annual energy spend of greater than \$2 million per annum**

**Q18** Please explain your answer

**Respondent skipped this question**

**Q19** What public reporting requirements (listed in Table 3) should be disclosed?

**Respondent skipped this question**

**Q20** In your view, should businesses be expected to include transport energy and emissions in these reporting requirements?

**Respondent skipped this question**

**Q21** For manufacturers: what will be the impact on your business to comply with the requirements?

**Respondent skipped this question**

**Q22** Option 1.1. Suggests that requirements to publish Corporate Energy Transition Plans should apply to large energy users, and proposes defining large energy users as those with an annual energy spend (purchased) of greater than \$2 million per annum. Do you agree with this definition?

**Respondent skipped this question**

**Q23** If you selected no, please describe what in your view would be an appropriate threshold to define 'large energy users'.

**Respondent skipped this question**

**Q24** Is there any potential for unnecessary duplication under these proposals and the disclosures proposed in the MBIE-Ministry for the Environment discussion document Climate-related Financial Disclosures – Understanding your business risks and opportunities related to climate change, October 2019?

Respondent skipped this question

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Page 5: Section 1 - Option 1.2: Electrification information package and feasibility studies

**Q25** Do you support the proposal to develop an electrification information package?

Respondent skipped this question

**Q26** Would an electrification information package be of use to your business?

Respondent skipped this question

**Q27** Do you support customised low-emission heating feasibility studies?

Respondent skipped this question

**Q28** In your view, which of the components should be scaled up and/or prioritised?

Respondent skipped this question

**Q29** Would a customised low-emission heating feasibility study be of use to your business?

Respondent skipped this question

**Q30** Please describe any components other than those identified that could be included in an information package.

Respondent skipped this question

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Page 6: Section 1 - Option 1.3: Provide benchmarking information for food processing industries

**Q31** Do you support benchmarking in the food processing sector?

Respondent skipped this question

**Q32** Would benchmarking be suited to, and useful for, other industries, such as wood processing?

Respondent skipped this question

**Q33** Do you believe government should have a role in facilitating this or should it entirely be led by industry?

Respondent skipped this question

**Q34** Please explain your answer

Respondent skipped this question

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Page 7: Section 2: Developing markets for bioenergy and direct geothermal use

**Q35** Do you agree that some councils have regional air quality rules that are barriers to wood energy?

Respondent skipped this question

**Q36** Please provide examples of regional air quality rules that you see as barriers to wood energy. Please also note which council's plan you are referring to.

Respondent skipped this question

**Q37** Do you agree that a National Environmental Standards for Air Quality (NESAQ) users' guide on the development and operation of the wood energy facilities will help to reduce regulatory barriers to the use of wood energy for process heat?

Respondent skipped this question

**Q38** What do you consider a NESAQ users' guide should cover? Please provide an explanation if possible.

Respondent skipped this question

**Q39** Please describe any other options that you consider would be more effective at reducing regulatory barriers to the use of wood energy for process heat.

Respondent skipped this question

**Q40** In your opinion, what technical rules relating to wood energy would be better addressed through the NESAQ than through the proposed users' guide (option 2.1)?

Respondent skipped this question

Page 8: Section 2 - continued: Developing markets for bioenergy and direct geothermal use

**Q41** In your view, could the Industry Transformation Plans stimulate sufficient supply and demand for bioenergy to achieve desired outcomes?

Respondent skipped this question

**Q42** What other options are worth considering?

Respondent skipped this question

**Q43** Is Government best placed to provide market facilitation in bioenergy markets?

Respondent skipped this question

**Q44** How could Government best facilitate bioenergy markets? Please be as specific as possible, giving examples.

Respondent skipped this question

**Q45** In your view, how can government best support direct use of geothermal heat?

Respondent skipped this question

**Q46** What other options are worth considering?

Respondent skipped this question

Page 9: Section 3: Innovating and building capability

**Q47** Do you agree that de-risking commercially viable low-emission technology should be a focus of government support on process heat?

Respondent skipped this question

**Q48** Do you agree that diffusing commercially viable low-emission technology should be a focus of government support on process heat?

Respondent skipped this question

**Q49** Is Energy Efficiency and Conservation Authority (EECA) grant funding to support technology diffusion the best vehicle for this?

Respondent skipped this question

**Q50** For manufacturers and energy service experts: would peer learning and lead to reducing perceived technology risks?

Respondent skipped this question

**Q51** For manufacturers and energy service experts: would on-site technology demonstration visits lead to reducing perceived technology risks?

Respondent skipped this question

**Q52** Is there a role for the Government in facilitating this?

Respondent skipped this question

Page 10: Section 3 (continued): Innovating and building capability

**Q53** For emissions-intensive and highly integrated (EIH) stakeholders: What are your views on our proposal to collaborate to develop low-carbon roadmaps?

Respondent skipped this question

**Q54** Would low-carbon roadmaps assist in identifying feasible technological pathways for decarbonisation?

Respondent skipped this question

**Q55** What are the most important issues that would benefit from a partnership and co-design approach?

Respondent skipped this question

**Q56** What, in your view, is the scale of resourcing required to make this initiative successful?

Respondent skipped this question

Page 11: Section 4: Phasing out fossil fuels in process heat

**Q57** Do you agree with the proposal to ban new coal-fired boilers for low and medium temperature requirements?

Respondent skipped this question

**Q58** Do you agree with the proposal to require existing coal-fired process heat equipment for end-use temperature requirements below 100 degrees Celsius to be phased out by 2030?

Respondent skipped this question

**Q59** Referring to Question 56 - is this ambitious or is it not doing enough?

Respondent skipped this question

**Q60** For manufacturers: what would be the likely impacts or compliance costs on your business of a ban on new coal-fired process heat equipment?

Respondent skipped this question

**Q61** For manufacturers: what would be the likely impacts or compliance costs on your business of requiring existing coal-fired process heat equipment supplying end-use temperature requirements below 100°C to be phased out by 2030.

Respondent skipped this question

**Q62** Could the Corporate Energy Transition Plans (Option 1.1) help to design a more informed phase out of fossil fuels in process heat?

Respondent skipped this question

**Q63** Would a timetabled phase out of fossil fuels in process heat be necessary alongside the Corporate Energy Transition Plans?

Respondent skipped this question

**Q64** In your view, could national direction under the Resource Management Act (RMA) be an effective tool to support clean and low greenhouse gas-emitting methods of industrial production?

Respondent skipped this question

**Q65** If yes, how?

Respondent skipped this question

**Q66** In your view, could adoption of best available technologies be introduced via a mechanism other than the RMA?

Respondent skipped this question

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Page 12: Section 5: Boosting investment in energy efficiency and renewable energy technologies

**Q67** Do you agree that complementary measures to the New Zealand Emissions Trading Scheme (NZ-ETS) should be considered to accelerate the uptake of cost-effective clean energy projects?

Respondent skipped this question

**Q68** Would you favour regulation, financial incentives or both?

Respondent skipped this question

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**Q69** In your view what is a bigger barrier to investment in clean energy technologies, internal competition for capital or access to capital? **Respondent skipped this question**

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**Q70** If you favour financial support, what sort of incentives could be considered? **Respondent skipped this question**

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**Q71** What are the benefits of these incentives? **Respondent skipped this question**

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**Q72** What are the risks of these incentives? **Respondent skipped this question**

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**Q73** What are the costs of these incentives? **Respondent skipped this question**

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**Q74** What measures other than those identified above could be effective at accelerating investment in clean energy technologies? **Respondent skipped this question**

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Page 13: Section 6: Cost recovery mechanisms

**Q75** What is your view on whether cost recovery mechanisms should be adopted to fund policy proposals in Part A of the Accelerating renewable energy and energy efficiency discussion document? **Respondent skipped this question**

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**Q76** What are the advantages of introducing a levy on consumers of coal to fund process heat activities? **Respondent skipped this question**

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**Q77** What are the disadvantages of introducing a levy on consumers of coal to fund process heat activities? **Respondent skipped this question**

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Page 14: Section 7: Enabling development of renewable energy under the Resource Management Act 1991

**Q78** Do you agree that the current NPSREG gives sufficient weight and direction to the importance of renewable energy? **Respondent skipped this question**

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**Q79** What changes to the NPSREG would facilitate future development of renewable energy? **Respondent skipped this question**

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**Q80** What policies could be introduced or amended to provide sufficient direction to councils regarding the matters listed in points a-i mentioned on pages 60-61 of the discussion document? **Respondent skipped this question**

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**Q81** How should the NPSREG address the balancing of local environmental effects and the national benefits of renewable energy development in RMA decisions? **Respondent skipped this question**

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**Q82** What are your views on the interaction and relative priority of the NPSREG with other existing or pending national direction instruments? **Respondent skipped this question**

---

**Q83** Do you have any suggestions for how changes to the NPSREG could help achieve the right balance between renewable energy development and environmental outcomes? **Respondent skipped this question**

---

**Q84** What objectives or policies could be included in the NPSREG regarding councils' role in locating and planning strategically for renewable energy resources? **Respondent skipped this question**

---

**Q85** Can you identify any particular consenting barriers to development of other types of renewable energy than REG, such as green hydrogen, bioenergy and waste-to-energy facilities? **Respondent skipped this question**

---

**Q86** Can any specific policies be included in a national policy statement to address these barriers? **Respondent skipped this question**

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**Q87** What specific policies could be included in the NPSREG for small-scale renewable energy projects? **Respondent skipped this question**

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**Q88** The NPSREG currently does not provide any definition or threshold for "small and community-scale renewable electricity generation activities". Do you have any view on the definition or threshold for these activities? **Respondent skipped this question**

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**Q89** What specific policies could be included to facilitate re-consenting consented but unbuilt wind farms, where consent variations are needed to allow the use of the latest technology? **Respondent skipped this question**

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**Q90** Are there any downsides or risks to amending the NPSREG? **Respondent skipped this question**

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Page 15: Section 7 - continued

**Q91** Do you agree that National Environmental Standards (NES) would be an effective and appropriate tool to accelerate the development of new renewables and streamline re-consenting? **Respondent skipped this question**

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**Q92** What are the pros of using National Environmental Standards as a tool to accelerate the development of new renewables and streamline re-consenting? **Respondent skipped this question**

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**Q93** What are the cons of using National Environmental Standards as a tool to accelerate the development of new renewables and streamline re-consenting? **Respondent skipped this question**

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**Q94** What do you see as the relative merits and priorities of changes to the NPSREG compared with work on NES? **Respondent skipped this question**

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**Q95** What are the downsides and risks to developing NES? **Respondent skipped this question**

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**Q96** What renewables activities (including both REG activities and other types of renewable energy) would best be suited to NES? **Respondent skipped this question**

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**Q97** What technical issues could best be dealt with under a standardised national approach? **Respondent skipped this question**

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**Q98** Would it be practical for NES to set different types of activity status for activities with certain effects, for consenting or re-consenting? **Respondent skipped this question**

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**Q99** Are there any aspects of renewable activities that would have low environmental effects and would be suitable for having the status of permitted or controlled activities under the RMA? Please provide details. **Respondent skipped this question**

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**Q100** Do you have any suggestions for what rules or standards could be included in NES or National Planning Standards to help achieve the right balance between renewable energy development and environmental outcomes? **Respondent skipped this question**

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**Q101** Compared to the NPSREG or National Environment Standards, would National Planning Standards or any other RMA tools be more suitable for providing councils with national direction on renewables? **Respondent skipped this question**

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**Q102** Please explain your answer **Respondent skipped this question**

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**Q103** Are there opportunities for non-statutory spatial planning techniques to help identify suitable areas for renewables development (or no go areas)?

Respondent skipped this question

**Q104** Do you have any comments on potential options for pre-approval of renewable developments?

Respondent skipped this question

**Q105** Are the current National Policy Statement on Electricity Transmission (NPSET) and National Environmental Standards for Electricity Transmission Activities (NESETA) fit-for-purpose to enable accelerated development of renewable energy?

Respondent skipped this question

**Q106** What changes (if any) would you suggest for the NPSET and NESETA to accelerate the development of renewable energy?

Respondent skipped this question

**Q107** Can you suggest any other options (statutory or non-statutory) that would help accelerate the future development of renewable energy?

Respondent skipped this question

Page 17: Section 8: Supporting renewable electricity generation investment

**Q108** Do you agree there is a role for government to provide information, facilitate match-making and/or assume some financial risk for PPAs?

Respondent skipped this question

**Q109** Would support for PPAs effectively encourage electrification?

Respondent skipped this question

**Q110** Would support for PPAs effectively encourage new renewable generation investment?

Respondent skipped this question

**Q111** How could any potential mismatch between generation and demand profiles be managed by the Platform and/or counterparties?

Respondent skipped this question

**Q112** Please rank the following variations on PPA Platforms in order of preference. 1 = most preferred, 4 = least preferred.

Respondent skipped this question

**Q113** What are your views on Contract Matching Services?

Respondent skipped this question

**Q114** What are your views on State sector-led PPAs?

Respondent skipped this question

<b>Q115</b> What are your views on Government guaranteed contracts?	Respondent skipped this question
<b>Q116</b> What are your views on a Clearing house for PPAs?	Respondent skipped this question
<b>Q117</b> For manufacturers: what delivered electricity price do you require to electrify some or all of your process heat requirements?	Respondent skipped this question
<b>Q118</b> For manufacturers: is a long-term electricity contract an attractive proposition if it delivers more affordable electricity?	Respondent skipped this question
<b>Q119</b> For investors / developers: what contract length and price do you require to make a return on an investment in new renewable electricity generation capacity?	Respondent skipped this question
<b>Q120</b> For investors / developers: is a long-term electricity contract an attractive proposition if it delivers a predictable stream of revenues and a reasonable return on investment?	Respondent skipped this question
Page 18: Section 8 - continued	
<b>Q121</b> Do you consider the development of the demand response (DR) market to be a priority for the energy sector?	Respondent skipped this question
<b>Q122</b> Do you think that demand response (DR) could help to manage existing or potential electricity sector issues?	Respondent skipped this question
<b>Q123</b> What are the key features of demand response markets?	Respondent skipped this question
<b>Q124</b> Which features of a demand response market would enable load reduction or asset use optimisation across the energy system?	Respondent skipped this question
<b>Q125</b> Which features of a demand response market would enable the uptake of distributed energy resources?	Respondent skipped this question
<b>Q126</b> What types of demand response services should be enabled as a priority?	Respondent skipped this question

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**Q127** Which services make sense for New Zealand? **Respondent skipped this question**

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Page 19: Section 8 - continued

**Q128** Would energy efficiency obligations effectively deliver increased investment in energy efficient technologies across the economy? **Respondent skipped this question**

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**Q129** Is there an alternative policy option that could deliver on this aim more effectively? **Respondent skipped this question**

---

**Q130** If progressed, what types of energy efficiency measures and technologies should be considered in order to meet retailer/distributor obligations? **Respondent skipped this question**

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**Q131** Should these be targeted at certain consumer groups? **Respondent skipped this question**

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**Q132** Do you support the proposal to require electricity retailers and/or distributors to meet energy efficiency targets? **Respondent skipped this question**

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**Q133** Which entities would most effectively achieve energy savings? **Respondent skipped this question**

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**Q134** What are the likely compliance costs of this policy? **Respondent skipped this question**

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Page 20: Section 8 - continued

**Q135** Do you agree that the development of an offshore wind market should be a priority for the energy sector? **Respondent skipped this question**

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**Q136** What do you perceive to be the major benefits to developing offshore wind assets in New Zealand? **Respondent skipped this question**

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**Q137** What do you perceive to be the major costs to developing offshore wind assets in New Zealand? **Respondent skipped this question**

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**Q138** What do you perceive to be the major risks to developing offshore wind assets in New Zealand? **Respondent skipped this question**

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Page 21: Section 8 - continued

**Q139** This policy option involves a high level of intervention and risk. Would another policy option better achieve our goals to encourage renewable energy generation investment?

Respondent skipped this question

**Q140** Could the proposed policy option be re-designed to better achieve our goals?

Respondent skipped this question

**Q141** Should the Government introduce Renewable Portfolio Standards (RPS) requirements?

Respondent skipped this question

**Q142** At what level should a RPS quota be set to incentivise additional renewable electricity generation investment?

Respondent skipped this question

**Q143** Should RPS requirements apply to all electricity retailers?

Respondent skipped this question

**Q144** Should RPS requirements apply to all major electricity users?

Respondent skipped this question

**Q145** What would be an appropriate threshold for the inclusion of major electricity users (i.e. annual consumption above a certain GWh threshold)?

Respondent skipped this question

**Q146** Would a government backed certification scheme support your corporate strategy and export credentials?

Respondent skipped this question

**Q147** What types of renewable projects should be eligible for renewable electricity certificates?

Respondent skipped this question

**Q148** If this policy option is progressed, should electricity retailers be permitted to invest in energy efficient technology investments to meet their renewable portfolio standards? (See option 8.3 on energy efficiency obligations).

Respondent skipped this question

**Q149** If this policy option is progressed, should major electricity users be permitted to invest in energy efficient technology investments to meet their renewable portfolio standards? (See option 8.3 on energy efficiency obligations).

Respondent skipped this question

**Q150** What are the likely administrative and compliance costs of this policy for your organisation?

Respondent skipped this question

**Q151** This policy option involves a high level of intervention and risk. Would another policy option better achieve our goals to encourage renewable energy generation investment?

Respondent skipped this question

**Q152** Could this policy option be re-designed to better achieve our goals?

Respondent skipped this question

**Q153** Do you support the managed phase down of baseload thermal electricity generation?

Respondent skipped this question

**Q154** Would a strategic reserve mechanism adequately address supply security, and reduce emissions affordably, during a transition to higher levels of renewable electricity generation?

Respondent skipped this question

**Q155** Under what market conditions should thermal baseload held in a strategic reserve be used?

Respondent skipped this question

**Q156** Would you support requiring thermal baseload assets to operate as peaking plants or during dry winters?

Respondent skipped this question

**Q157** What is the best way to meet resource adequacy needs as we transition away from fossil-fuelled electricity generation and towards a system dominated by renewables?

Respondent skipped this question

Page 23: Section 8 - continued

**Q158** Do you have any views regarding the options to encourage renewable electricity generation investment that we considered, but are not proposing to investigate further? (See pages 90 - 92 of the Accelerating renewable energy and energy efficiency discussion document).

Respondent skipped this question

Page 24: Section 9: Facilitating local and community engagement in renewable energy and energy efficiency

**Q159** Should New Zealand be encouraging greater development of community energy projects?

Respondent skipped this question

**Q160** What types of community energy project are most relevant in the New Zealand context?

Respondent skipped this question

**Q161** What are the key benefits of a focus on community energy?

Respondent skipped this question

**Q162** What are the key downsides or risks of a focus on community energy? **Respondent skipped this question**

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**Q163** Have we accurately identified the barriers to community energy proposals? **Respondent skipped this question**

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**Q164** Which barriers do you consider most significant? You may select more than one answer. **Respondent skipped this question**

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**Q165** Are the barriers noted above in relation to electricity market arrangements adequately covered by the scope of existing work across the Electricity Authority and electricity distributors? **Respondent skipped this question**

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**Q166** What do you see as the pros of a clear government position on community energy? **Respondent skipped this question**

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**Q167** What do you see as the cons of a clear government position on community energy? **Respondent skipped this question**

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**Q168** What do you see as the pros of government support for pilot community energy projects? **Respondent skipped this question**

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**Q169** What do you see as the cons of government support for pilot community energy projects? **Respondent skipped this question**

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**Q170** Are there any other options you can suggest that would support further development of community energy initiatives? **Respondent skipped this question**

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Page 25: Section 10: Connecting to the national grid

**Q171** Please select the option or combination of options, if any, that would be most likely to address the first mover disadvantage. **Respondent skipped this question**

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**Q172** What do you see as the disadvantages or risks of Option 10.1? **Respondent skipped this question**

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**Q173** What do you see as the disadvantages or risks of Option 10.2? **Respondent skipped this question**

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**Q174** What do you see as the disadvantages or risks of Option 10.3.1? **Respondent skipped this question**

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**Q175** What do you see as the disadvantages or risks of Option 10.3.2? **Respondent skipped this question**

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**Q176** Would introducing a requirement, or new charge, for subsequent customers to contribute to costs already incurred by the first mover create any perverse incentives? **Respondent skipped this question**

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**Q177** Are there any additional options that should be considered? **Respondent skipped this question**

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Page 26: Section 10 (continued): Connecting to the national grid

**Q178** Do you think that there is a role for government to provide more independent public data? **Respondent skipped this question**

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**Q179** Is there a role for Government to provide independent geospatial data (e.g. wind speeds for sites) to assist with information gaps? **Respondent skipped this question**

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**Q180** Should MBIE's Electricity Demand and Generation Scenarios (EDGS) be updated more frequently? **Respondent skipped this question**

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**Q181** If you said yes, how frequently should they be updated? **Respondent skipped this question**

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**Q182** Should MBIE's EDGS provide more detail, for example, information at a regional level? **Respondent skipped this question**

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**Q183** Should the costs to the Crown of preparing EDGS be recovered from Transpower, and therefore all electricity consumers (rather than tax-payers)? **Respondent skipped this question**

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**Q184** Would you find a users' guide (on current regulation and approval process for getting an upgraded or new connection) helpful? **Respondent skipped this question**

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**Q185** What information would you like to see in such a guide? **Respondent skipped this question**

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**Q186** Who would be best placed to produce a guide? **Respondent skipped this question**

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Page 27: Section 10 (continued): Connecting to the national grid

**Q187** Do you think that there is a role for government in improving information sharing between parties to enable more coordinated investment? **Respondent skipped this question**

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**Q188** Is there value in the provision of a database (and/or map) of potential renewable generation and new demand, including location and potential size? **Respondent skipped this question**

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**Q189** If so, who would be best to develop and maintain this? **Respondent skipped this question**

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**Q190** How should it be funded? **Respondent skipped this question**

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**Q191** Should measures be introduced to enable coordination regarding the placement of new wind farms? **Respondent skipped this question**

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**Q192** Are there other information sharing options that could help address investment coordination issues? What are they? **Respondent skipped this question**

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Page 28: Section 11: Local network connections and trading arrangements

**Q193** Have you experienced, or are you aware of, significant barriers to connecting to the local networks? Please describe them. **Respondent skipped this question**

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**Q194** Are there any barriers that will not be addressed by current work programmes outlined on pages 118 - 122 of the discussion document? **Respondent skipped this question**

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**Q195** Should the option to produce a users' guide (see Option 10.6 on page 110) also include the process for getting an upgraded or new distribution line? **Respondent skipped this question**

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**Q196** Are there other Section 10 information options that could be extended to include information about local networks and distributed generation? **Respondent skipped this question**

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**Q197** Do the work programmes outlined on pages 118 - 122 cover all issues to ensure the settings for connecting to and trading on the local network are fit for purpose into the future? **Respondent skipped this question**

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**Q198** Are there things that should be prioritised, or sped up? **Respondent skipped this question**

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**Q199** What changes, if any, to the current arrangements would ensure distribution networks are fit for purpose into the future?

Respondent skipped this question

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Page 29: Additional comments

**Q200** Do you have any additional feedback?

Respondent skipped this question

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**Q201** You may upload additional feedback as a file. File size limit is 16MB. We accept PDF or DOC/DOCX.

Respondent skipped this question

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# Submission

## Accelerating renewable energy and energy efficiency

Submission to:

Ministry of Business Innovation & Employment

28 February 2020



[www.nzfoa.org.nz](http://www.nzfoa.org.nz)

**Growing  
Your  
Future**

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**Farm Forestry Association**

### **Summary**

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#### **Appendix One:**

Climate Change Commission

## Contact Details

David Rhodes  
Chief Executive  
Forest Owners Association  
Level 9, 93 The Terrace, Wellington  
Privacy of natural persons  
[www.nzfoa.org.nz](http://www.nzfoa.org.nz)

## Introduction

This is a joint submission by the two organizations representing forest growers in New Zealand.

### The Forest Owners Association

The New Zealand Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's plantation forests and over 80% of the annual harvest.

In 2018, the forest growing sector was worth \$6.38 billion in export value and is a 12% share of rural land use.

### Farm Forestry Association

The NZFFA represents owners of small-scale (generally less than 1,000 hectares) private forests and/or are interested in the many values of trees for profit, environmental, sustainable, amenity and arboreal uses. Currently there are about 2,000 members in the NZFFA but the NZFFA can be said to represent the views of about 13,000 others who own such private forests. The NZFFA works closely with the FOA and shares joint committees and work programme funded by the harvested wood commodity levy.

## Summary

In general, the FOA and FFA support the Government aims to achieve a net zero carbon economy by 2050, a 2030 emission reduction target under the Paris Agreement, and an aspirational goal of 100 per cent renewable electricity by 2035.

We note that two strategies to achieve these goals – accelerating renewable electricity and lowering emissions from process heat – are the subject of this submission.

The pledges made in Paris, including our own, are only expected to restrict the expected level of global warming to about an additional 3.0c by 2100 - in other words these commitments are a starting point and need to be built on. It is particularly important, for New Zealand that emissions reductions include all gases as intended by the ETS design, and that a start is made on addressing the 48% of our emissions which come from agricultural as recommended by the Interim Climate Change Commission.

Progress, thus far, in NZ has been inadequate and a more robust framework is overdue. In particular the progress made on emissions reductions (as compared with sequestration) has been well short of that needed to achieve our objectives. The parliamentary response over the past 20 years has not provided what has been needed to the point that MfE have described the NZ ETS as not being fit for purpose. FOA and FFA consider that the current policy settings do not provide sufficient incentive to drive reductions and that includes New Zealand's 90% grand-parented Emission Intensive and Trade Exposed (EITE) Industries.

The forest sector was the first sector to enter the Emissions Trading Scheme (ETS) in 2008, with pre 1990 forest owners facing an emissions liability of almost 100% overnight. As MfE notes this was "because of the importance of forestry to New Zealand's ability to meet its international obligations for greenhouse gas emissions". That dependence has not changed. Although forestry does not represent a permanent solution and should not be relied on as a substitute for action on emissions reduction at source it does have the ability to allow the New Zealand economy to transition in a planned and managed way with significantly less cost and shock to the system than would otherwise be the case. Numerous independent reports including by Globe NZ, the ETS review panel and the Parliamentary Commissioner for the Environment have all reached the same conclusion – it is important for New Zealand to make much more substantive progress on emissions reductions but in the near term (2050) it will not be possible to achieve the goals without increased sequestration from additional forestry and also from replanted forests.

For forestry to meet this potential means forest investors, including landowners with the ability to plant trees, having the confidence in the commitment by government and a long-term national strategy. Part of this strategy could come from initiatives addressing "accelerating renewable electricity" and "lowering emissions from process heat".

## Part A: Encouraging energy efficiency and the uptake of renewable fuels in industry

### Section 1 - Addressing information failures

We support the proposal that large energy users publish Corporate Energy Transition Plans (including reporting emissions annually), and conduct energy audits every four years.

We consider this will improve transparency and act as a powerful incentive for energy intensive industry to move to low carbon energy options.

### Section 2: Developing markets for bioenergy and direct geothermal use

We support the proposals to:

- Develop a users' guide on application of the National Environmental Standards for Air Quality to wood energy;
- Facilitate development of bioenergy markets and industry clusters on a regional basis within Industry Transformation Plans, and
- Support recent initiatives underway to grow the bio-economy.

Regarding the facilitation and development of bioenergy markets and industry clusters.

We note that large amounts of biomass are left behind in forests after logging operations. This material is not a free fuel source. The Forest Owner will incur costs to manage, measure and extract

this material which must be reflected in the biomass fuel price. In-forest biomass is available nationally, however those areas without a fibre utilisation plant (pulp mill, mdf, etc) have greater available volumes.

A carbon price on fuels competing with bio-mass (coal, gas) would allow the price for biomass to rise. This would greatly increase the volume of economically extractable forest biomass.

Forest biomass has low energy content to bulk. This means transport distance is a major consideration in how far material can economically be sourced. A higher price means material can be sourced from a wider area. The Emissions Trading Scheme offers the opportunity to facilitate the move from high carbon fuels to low carbon options. The low energy content to bulk issue also supports distributed generation options – discussed later in this submission.

#### Section 6: Cost Recovery Mechanisms - A levy on consumers of coal.

We consider the ETS if allowed to operate freely would achieve this goal. All sectors, including the energy and agriculture sectors, need to be included in the ETS.

See Appendix one outlining our support for the establishment of a Climate Change Commission.

## Part B: Accelerating renewable electricity generation and infrastructure

#### Section 7: Enabling development of renewable energy under the Resource Management Act 1991

We support the proposals to:

- Amend the National Policy Statement for Renewable Electricity Generation (NPSREG) to provide stronger direction on the national importance of renewables.

We agree with streamlining the development of renewable electricity generation and associated transmission infrastructure.

- Scoping National Environmental Standards or National Planning Standards specific to renewable energy (note: we propose to prioritise amending the NPSREG while proceeding with this scoping work.)

We support analysis of options to remove barriers to the implementation of renewable energy projects.

- Other options including spatial planning, pre-approval of new renewable energy developments, and amending other RMA national direction instruments.

#### Section 8: Supporting renewable electricity generation investment

We support policy options to accelerate investment in supply- and demand-side renewable electricity generation and energy efficiency.

We particularly support Option 8.2 “Encourage greater demand-side participation and develop the demand response market”.

Bioenergy is best used close to the source. This would benefit from the development of options such as micro-grids. There should be support for distributed generation options (in areas where there is surplus biomass).

#### Section 9: Facilitating local and community engagement in renewable energy and energy efficiency –barriers to greater uptake of small-scale community energy.



We support policy options encouraging greater development of community energy projects. Of particular benefit would be mid-sized community or company projects based around local biomass resources. These would raise the profile of energy generation with communities, and contribute to local energy supply resilience. Current energy purchasing price policies by the large generators need to be modified to encourage distributed generation.

**Section 10: Connecting to the national grid** –issues relating to transmission connections to supporting growth in renewable electricity and the transition to a low emissions economy.

We support policy options that:

- encourage Transpower to include the economic benefits of climate change mitigation in applications for Commerce Commission approval of projects expected to cost over \$20m.
- In order to address the first mover cost disadvantage, put in place additional mechanisms to support or encourage, Transpower, first movers and subsequent customers to agree to alternative forms of cost sharing arrangements by contract.
- Provide independent geospatial data on potential generation and electrification sites (e.g. wind speeds for sites, information on relative economics and feasibility of investment locations given available transmission capacity).

**Thank you for the opportunity to submit on the proposals outlined in the discussion document “Accelerating renewable energy and energy efficiency”. The FOA and FFA would like to be heard should there be an opportunity for oral submissions.**



David Rhodes, CE, FOA



Hamish Levack, President, NZFFA

## Appendix One: Climate Change Commission

The FOA and FFA support the establishment of a Climate Change Commission. Targets and pathways to date have been too heavily influenced by political pressure. The policies related to climate change need to be durable and not be vulnerable to short-term political interference. Climate change adaptation and mitigation are complex topics and deserve dedicated full-time resources to focus on delivering the best outcome for New Zealand via the most appropriate transition pathway.

Although we support the establishment of the Climate Change Commission we consider the proposed advisory-only role to be inadequate. The commission targets must be independent of the government of the day.

It is particularly important that the Commission has the capacity and mandate to establish emissions budgets and reduction plans in order to give as much certainty to those making long-term, and significant, investment decisions. We support the ability of the Commission to review progress and recommend changes to targets and budgets if appropriate.

A fundamental element of the proposed framework is the inclusion of emissions reduction targets. The FOA and FFA are supportive of the net zero goal carbon dioxide.

The FOA and FFA support the establishment of emissions budgets for consecutive periods and including both short- and long-lived greenhouse gases. As noted, this provides guidance for investors including those involved with the Emissions Trading Scheme.

The strong emphasis on domestic action to achieve the emissions budgets is appropriate if New Zealand is to achieve permanent behavioural and structural change. Significant damage has been done previously to investor confidence in the forest sector by policy that was either inconsistent, or lacking, with respect to the reliance on emissions action taken outside New Zealand.