venture
TARANAKI
Te Puna Umanga

Energy Markets Policy
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140

28th February 2020

Dear Sir/Madam

Submission by Venture Taranaki on the *Accelerating Renewable Energy and Energy Efficiency: Discussion Document.*

Venture Taranaki is the regional development agency for the Taranaki region, and thanks MBIE for the opportunity to comment on the *Accelerating Renewable Energy and Energy Efficiency: Discussion Document.*

Alongside the World, Aotearoa New Zealand and government, Taranaki is also playing a key role in the transition towards a lower emission's future.

These include:

- The development of Tapuae Roa – a regional development Strategy and Action Plan for the Taranaki region which includes an Energy Futures Section : http://about.taranaki.info/Tapuae-Roa.aspx

- The development of a Business Case for the National New Energy Development Centre. This was finalised in early 2019 and funding of $27m for the first four years of operations for the centre was announced by the Prime Minister in May 2019. Venture Taranaki is the lead agency for the Centre's establishment phase through until mid-2020. View details here: http://venture.taranaki.info/projects/national-new-energy-development-centre.aspx

- The H2 Taranaki Roadmap, which was launched in March 2019 by the Prime Minister and the Minister of Energy and Resources, outlines a vision for an integrated hydrogen sector in the region including the use of hydrogen as industrial feedstock (e.g. for urea production), as energy storage, as vehicle fuel (with a particular focus on heavy vehicles), and for export. The H2 Roadmap (summary and full versions) can be found here: http://about.taranaki.info/Tapuae-Roa/H2.aspx

- The development of the Taranaki 2050 Roadmap – which reflects an extensive and inclusive planning process for the Taranaki region towards a low emission future. The Roadmap was finalised in August 2019 and various sector focused Action Plans are now under development including one dedicated to "Energy". View here for the roadmap: http://about.taranaki.info/Taranaki2050/Taranaki-2050-Roadmap.aspx

- The Taranaki 2050 Energy Action Plan: http://about.taranaki.info/Taranaki2050/Energy-TPAP.pdf

- A soon-to be-released discussion document concerning the potential for Taranaki as a location for off-shore wind energy.

Our Submission

Venture Taranaki supports the goals conveyed within the Discussion document of seeking ways to create a 'more productive, sustainable and inclusive economy', the imperative of progressing towards a low emission economy and that this transition should be 'just' for today and future generations.

Given the array of initiatives emerging from Government as they relate to energy, the intent of the Discussion document, which is also to 'join up' work programmes thus providing greater coherence on energy policies, is welcomed.

Furthermore, we value the opportunity to comment on the document's broad listing of potential actions and opportunities, including the removal of barriers that may accelerate adoption of new technologies and create efficiencies, leading to lowering of GHG emissions.

Whilst the document covers a range of Sections, our comments are targeted to those areas and initiatives where Venture Taranaki can best add-value.

Section 2: Developing markets for bio energy and direct geothermal use.

This section focuses on a wide range of initiatives to support the supply and use of bio-mass, as well as fuel switching, co-firing, demand reduction and efficiency improvements for process heat.

As a platform for accelerating the above, there is recognition within the document of the valuable role that industrial and regional clusters can provide a positive intervention that supports and enable such changes.

Venture Taranaki already has a successful track record in cluster formation and operation (e.g. Energy & Industrial Group; Taranaki Honey Collective) and has signalled in our own Taranaki 2050 roadmap and regional development sectoral plans the opportunity of forging new clusters that underpin and accelerate low emission transition and economic growth.

For example, preliminary discussions have already been instigated with our local food processors in relation to exploring the collaborative possibilities of bio-energy, circular economy and other sustainability initiatives. Research into the use of old oil and gas wells for low-heat geothermal prospects has also been mooted with engagement across CRI's, Venture Taranaki and industry.

Venture Taranaki would be keen to consider these and other regional cluster opportunities as a means to mobilise new thinking, collaborations and actions in renewable options at a regional level, connecting to national strategies and agencies.

Section 3: Innovation and building capability

This section discusses the potential expansion of EEECA's grants for technology diffusion and capability building, as well as collaboration with industry to foster knowledges sharing and accelerate low emission technology uptake.

The broadening of objectives and increases in funding and support to reduce risk and accelerate such uptake is welcomed.

However, ensuring such initiatives and agencies, such as EECA, are connected to the EDA's and Regional Partners, such as Venture Taranaki, who also operate business advisory services, would not only leverage these advancements but would also ensure coherence and a collaborative front to client businesses. Connectivity to the National New Energy Development Centre (currently under establishment, but due to be operational by July 2020) should also be considered.

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

It is important that the government works closely with local government, in their considerations of potential projects and new forms of energy technologies as we plan ahead for future energy demand and to meet low emission and climate change goals.

Venture Taranaki refers to the submission of the Taranaki Regional Council, who have highlighted that there are a number of areas for consideration that have not been addressed in the discussion document and that require careful and thorough exploration. There are also concerns that some of the options presented have broad implications under the RMA which have not been considered or identified.

Section 8: Supporting renewable electricity generation investment

We support investigation into offshore wind as a potential significant renewable energy option for the future, for New Zealand, as covered in pages 79-81 of the Discussion document.

New Zealand, as a small island nation surrounded by a tremendous off-shore wind resource, should be proactively considering such an option. Furthermore, given international developments, including major investments in Australia, coupled with the significant advancements in technology, and lowering of costs as a renewable energy source, offshore wind is rapidly becoming a more real option for New Zealand.

Venture Taranaki has already identified offshore wind as a renewable energy opportunity, particularly as it relates to the Taranaki region, given our world class offshore wind resource - and will soon be releasing a discussion paper on this. The document reaffirms the case for prioritising offshore wind as a renewable energy option for consideration, and that regulatory, economic and other requirements be subject to more in-depth study.

Connectivity with other work streams such as the development of energy infrastructure, integration with hydrogen production, the potential contribution to the needs of major industrial users and the opportunities it could present for a more ambitious energy system should be addressed.

Venture Taranaki would value the opportunity to work with MBIE, should such a work stream be progressed, given linkages with the 2050 Roadmap, the Taranaki offshore wind discussion paper, and the soon to be established NNEDC. There is also rapidly growing offshore wind expertise being established in Taranaki, as well as the potential transferability of our offshore oil and gas expertise which could be further explored and offered to this process.

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

This section covers the barriers and options to facilitate community energy, including exploring community energy pilot projects.

During the development of the Taranaki 2050 Roadmap and the Energy Action Plan, interest in community energy projects was highlighted.

There appears however, a lack of knowledge concerning what types of projects could be relevant for New Zealand as well as the benefits, costs, barriers and practicalities of such initiatives, and also how they may nest into the wider regional/national energy strategies, targets and synergies and trade-offs with other programmes.

We would be keen to leverage learnings from pilot and demonstration projects instigated internationally, and also how they may have been valuable in catalysing the early adoption of new technologies and social programmes.

Furthermore, should the Government progress the possibility of exploring a small number of community-based energy pilot projects within New Zealand, we could be keen for Taranaki to be considered as a locality for such a pilot. As indicated above, such a pilot would be consistent with, and activate, ideas that were mooted in the Taranaki 2050 Roadmap – and could also link valuably into the work of the NNEDC.

General and overall comment:

The following comments are not section specific but relevant to many sections, including assessment of the cost/benefit of change, approach and initiatives selected:

- Transitioning in a planned way is critical and it is important opportunities are not ruled out too early on, in terms of, for example, growing innovation and practice around CCUS.

- It is also important to consider the impacts of the proposed changes and to ensure that the impacts on cost competitiveness for our largest export earner, the food and fibre sector, are not too steep or rapid. They should also be supported by consistent, planned and clearly communicated requirements that also enable enterprises to try and capitalise on these as a consumer benefit, where possible.

- Finally, it is also important to ensure that change does not lead to unintended consequences. For example, the potential (or risk) that requirements are driven in such a way that New Zealand

simply ends up importing higher-emission products rather that considering the full picture of what change is ultimately trying to achieve.

Venture Taranaki thanks the Ministry of Business, Innovation and Employment for the opportunity to comment on **the *Accelerating Renewable Energy and Energy Efficiency: Discussion Document.***

Anne Probert,
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Venture Taranaki Trust

CC: Justine Gilliland, Chief Executive