



Energy Portfolio Weekly Report

Week commencing: 02/04/2024

Priority: Medium

Security classification: In Confidence

Tracking number: 2324-2714

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Justine Cannon
General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

28 March 2024

Minister's comments:

**Energy Portfolio
Officials' Meeting Agenda
2:00 pm – 3:00 pm Tuesday, 2 April 2024**

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Electricity affordability and levers to influence	Tamara Linnhoff John McCabe Ed Smith Scott Russell	Slides to be tabled	Discussion
2.	Offshore Wind	Melanee Beatson	Paper 2324-2428	Discussion
3.	CCUS	Dominic Kebbell	Paper 2324-1976	Discussion
4.	Weekly Report & Work Programme/100 Days	Minister	Oral	Discussion
5.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Susan Hall	Policy Director, Energy Markets
Peter Bartlett	Director, Sector Engagement
Daniel Brown	Manager, Electrify NZ
Dominic Kebbell	Manager, Gas and Fuel Supply Policy
Tamara Linnhoff	Manager, Electricity Generation, Infrastructure and Markets Policy
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
Scott Russell	Manager, Energy Use Policy
Ed Smith	Principal Policy Advisor, Electricity Generation, Infrastructure and Markets Policy
John McCabe	Team Leader, Electricity Generation, Infrastructure and Markets Policy

Key Updates

Title	Comment
Implementing Electrify NZ Daniel Brown <small>Privacy of natural persons</small>	<p>Confidential advice to Government</p> <p>We held our first workshop with electricity sector stakeholders (large energy generators and Transpower) on Tuesday 26 March 2024 to workshop updates to national direction and other potential legislative amendments for Electrify NZ. Further workshops are planned for other generation and electricity distribution stakeholders.</p>
Supercharging EV Infrastructure Peter Bartlett <small>Privacy of natural persons</small>	<p>We have provided you with a final draft of the Supercharging EV Infrastructure Cabinet paper and are awaiting your final comments before submitting the paper for consideration by ECO.</p> <p>We are also developing terms of reference for the cross-agency task force to stand this up shortly.</p>

Stakeholder Updates

Title	Comment
Helios Energy plan grid-scale solar development Tamara Linnhoff <small>Privacy of natural persons</small>	<p>Helios Energy, a grid-scale solar developer, has filed resource consent applications for</p> <ul style="list-style-type: none"> a 100 MW grid-connected solar farm on 240 hectares of land at Ongaonga in Central Hawke’s Bay a 300 MW solar farm on 660 hectares of land between Ranfurly and Naseby. Helios has advised the local community has been well engaged and the project has been well supported. <p>This follows the company’s 115 MW Edgecumbe development being granted resource consent late last year.</p>
Contact Energy Clutha River hydro development Tamara Linnhoff <small>Privacy of natural persons</small>	<p>On Monday 25 March 2024 at Officials’ meeting you asked why previously considered hydro generation schemes on the Clutha River were not developed.</p> <p>In 2012 Contact Energy publicly announced it had ‘shelved’ plans for further hydro generation on the Clutha primarily due to much higher costs than expected, community concerns, and the cost of transmission (including future upgrades of the Cook Strait cable). This came after three years investigating options at four sites – Luggate, Beaumont, Queensbury and Tuapeka Mouth. Contact instead chose to develop wind farms and further geothermal generation.</p> <p>Commercial Information</p> <p>Officials have asked for further information on these options, including whether the company still owns the parcels of land relevant to the pre-2012 plans, and will report back.</p>

<p>Meeting with Nature's Flame</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>On Monday 25 March 2024 officials met with Nature's Flame (NF). NF are one of New Zealand's largest producers of wood pellets for energy. These are manufactured from residue wood products, including shavings and sawdust, sourced from the plantation forestry sector and timber processing industry in the North Island's Central Plateau. Their customers include New Zealand manufacturers, government facilities, schools and homes.</p> <p>NF raised with officials that many coal users don't have a sufficient financial incentive to switch to biomass under current and forecast ETS prices (in their view prices would need to rise to around ~\$100). Uncertain wood residue supply and prices (due to volatility in log export prices) also make it more difficult to provide a long-term price for bioenergy customers than for coal. NF noted that a key challenge that is limiting their ability to expand operations, is the cost of getting the dispersed forest residue to their facility for processing.</p> <p>Officials noted the upcoming ERP2 consultation as an opportunity for NF to make a submission on the role for biomass in the energy system.</p>
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Current appointments

Confidential advice to Government

Upcoming appointments

Confidential advice to Government

Other Updates

Title	Comment																																				
<p>Generation pipeline – next 12 months</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>On Monday 25 March 2024 at Officials’ meeting you asked what generation projects are in the generation pipeline and expected to be online soon.</p> <p>The table below includes new generation expected to be online during 2024.</p> <table border="1" data-bbox="363 392 1485 725"> <thead> <tr> <th>Plant</th> <th>Location</th> <th>Type</th> <th>MW</th> <th>Commissioning date</th> <th>Generator</th> </tr> </thead> <tbody> <tr> <td>Harapaki</td> <td>Hawke’s Bay</td> <td>Wind</td> <td>176</td> <td>Q3 2024</td> <td>Meridian</td> </tr> <tr> <td>Tauhara</td> <td>Taupō</td> <td>Geothermal</td> <td>174</td> <td>Q3 2024</td> <td>Contact</td> </tr> <tr> <td>Te Huka 3</td> <td>Taupō</td> <td>Geothermal</td> <td>51</td> <td>Q4 2024</td> <td>Contact</td> </tr> <tr> <td>Ruakākā</td> <td>Whangārei</td> <td>Battery energy storage system</td> <td>100</td> <td>Q4 2024</td> <td>Meridian</td> </tr> <tr> <td>Various</td> <td>Various</td> <td>Solar</td> <td>351</td> <td>During 2024</td> <td>Various</td> </tr> </tbody> </table> <p>This is derived from data from the Electricity Authority’s latest generation investment survey (published January 2024) and public announcements.</p> <p>You also asked which agency is monitoring the generation pipeline.</p> <p>Both the Electricity Authority and Transpower have access to pipeline data, which is collected for different purposes:</p> <ul style="list-style-type: none"> • Transpower, as the System Operator, is responsible for publishing the medium-term security of supply assessment (SOSA) annually. This assessment uses forecasts of electricity supply and demand over the next 10 years. As part of this assessment, Transpower looks at existing generation as well as planned generation at different stages of the development process to determine whether there is enough electricity generation in the system to meet demand under various scenarios. Transpower also manages the transmission connection queue (for all parties requesting new or upgraded access to the transmission grid) so has good insight into future generation developments. • The Electricity Authority undertakes regular monitoring of progress on generation investments to provide market information, including an annual update of the generation investment pipeline and impediments developers are facing. The most recent update was published in January 2023. 	Plant	Location	Type	MW	Commissioning date	Generator	Harapaki	Hawke’s Bay	Wind	176	Q3 2024	Meridian	Tauhara	Taupō	Geothermal	174	Q3 2024	Contact	Te Huka 3	Taupō	Geothermal	51	Q4 2024	Contact	Ruakākā	Whangārei	Battery energy storage system	100	Q4 2024	Meridian	Various	Various	Solar	351	During 2024	Various
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<p>Gas security of supply</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>The Pohokura turnaround is now complete and OMV is in the process of bringing its wells back online. OMV expect production to return to full capacity within the next couple of days.</p> <p>The Kapuni field has an upcoming scheduled outage for its 2024 annual shutdown. The impact to production will be 41 TJ/day between 2-16 April, around 12 per cent of current total production capacity.</p> <p>Enerlytica has suggested that Methanex may delay re-starting its second Motunui train, which it idled in response to the Pohokura outage, until after the Kapuni shutdown.</p>																																				

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Tuesday 2 April 2024 10:45 am – 11:00 am	Meeting with: CEO EECA and management	Briefing Due: 28 March 2024 Officials required: Justine Cannon, Peter Bartlett, Scott Russell
Wednesday 3 April 2024 8:30 am – 8:50 am	Meeting with: Tracey Kai, CEO Electricity Networks Aotearoa (ENA) and Nigel Babour, ENA Chair (and CE of Orion) and James Kilty, ENA Deputy Chair (and CE of Powerco).	Briefing Due: 28 March 2024 Officials required: Justine Cannon, Tamara Linnhoff
Wednesday 3 April 2024 9:30 am – 10:00 am	Meeting with: Dr Richard Templer, CEO Engineering NZ	DIA Lead: Energy officials input Officials required: Scott Russell
Wednesday 3 April 2024 10:00 am – 10:30 am	Meeting with: Pavan Vyas CEO and Mary Ann Mitchell (Regulatory Advisor), Flick Electric	Briefing Due: 27 March 2024 Officials required: Justine Cannon, Tamara Linnhoff
Wednesday 3 April 2024 10:30 am – 10:50 am	Meeting with: Electricity Authority Board Chair (Regular meeting)	Briefing Due: 28 March 2024 Officials required: TBC
Wednesday 3 April 2024 11:30 am – 12:00 pm	Meeting with: Transpower, Ministerial Advisor (Energy), and Hon Chris Bishop (Minister Responsible for RM Reform)	Briefing Due: 28 March 2024 Officials required: Daniel Brown, Susan Hall

Associate Energy Meetings		
Meeting date	Meeting	Details
Wednesday 3 April 2024 9:30 am – 10:30 am	Electricity CEO Forum	Speech Due: 29 March 2024 Officials required: Sharon Corbett (online)
Friday 5 April 2024 12:00 pm – 2:00 pm	Minister visit to Channel Infrastructure at Marsden Point	Briefing Due: 2 April 2024 Officials required: N/A

2. Upcoming Briefings and Aides Memoire to Minister for Energy

Due date	Product	Sign out Manager
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
w/c 8 April	Briefing Phase 2 proposed amendments to the Electricity (Hazards from Trees) Regulations 2003	Tamara Linnhoff
w/c 8 April	Briefing Application for electricity operator status: Maungaturoto Solar Farm Project	Tamara Linnhoff
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
Timing TBC	Briefing Household energy costs – advice on affordability and energy hardship	Scott Russell
Timing TBC	Briefing Advice on competition issues in wholesale and retail electricity markets	Tamara Linnhoff
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
Timing TBC	Briefing Advice on potential measures to enable distributed energy resources and a smarter electricity system	Peter Bartlett

3. Written Parliamentary Questions

None this week.

4. Upcoming Cabinet papers

Committee	Due date to Minister	Title of Paper	Comment or Purpose
Confidential advice to Government			
Confidential advice to Government			
ECO	May 2024	Hazardous Trees policy	To seek Cabinet agreement to changes to Hazardous Tree policy

5. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
01/04/24	SB24-278	Privacy of natural persons	Energy bills - Prompt payment discount
01/04/24	SB24-280	Privacy of natural persons	Have the Petrol Companies acted your petrol tax removal?
02/04/24	SB24-290	Privacy of natural persons	Acknowledge the letter from EnPot Ltd
03/04/24	SB24-284	Privacy of natural persons	No Tax advantages or any financial assistance for Solar systems
04/04/24	SB24-287	Privacy of natural persons	Request for funding for project
05/04/24	SB24-292	Privacy of natural persons	Issue of energy pricing - Cancel Net Zero
05/04/24	SB24-293	Privacy of natural persons	Electricity Towers, Westport to Cape Foulwind

6. Ministerial Official Information Act Requests

None this week

7. Departmental Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
5/04/24	2324-1398	Privacy of natural persons	Briefings related to the Government Investment in Decarbonising Industry	Drafting	Scott Russell
5/04/24	2324-1660	Privacy of natural persons	Request for copies of briefings sent to Minister of Energy	Drafting	Scott Russell
5/04/24	2324-1673	Privacy of natural persons	All briefings (listed in BIM) provided to the Current Minister of Energy	Drafting	Scott Russell
5/04/24	2324-1790	Privacy of natural persons	Copy of all briefings (listed in BIM) relating to energy supply & emissions	Drafting	Scott Russell

8. Work programme and milestones

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing: 08/04/2024

Priority: Medium

Security classification: In Confidence

Tracking number: 2324-2713

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Justine Cannon
General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

5 April 2024

Minister's comments:

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>We have now held two workshops with electricity sector stakeholders (large energy generators, Transpower and the Independent Electricity Generators Association) to workshop updates to national direction and other potential legislative amendments for Electrify NZ. Further workshops are planned for solar generation and electricity distribution stakeholders.</p>
<p>New permitting regime for offshore renewable energy</p> <p>Melanee Beatson <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p>
<p>Fast-Track Consenting Regime</p> <p>Susan Hall <small>Privacy of natural persons</small></p>	<p>The Environment Select Committee has called for submissions on the Bill, and an initial briefing on the Bill with officials is set for 11 April 2024.</p> <p>On 3 April 2024, the Ministers for Resources and RM Reform called on developers to lodge applications to list projects in the Fast Track Bill. MBIE and MfE will jointly support the Independent Fast Track Advisory Group to assess the suitability of projects for listing. Ministers are expected to announce the Group's Chair and members following Cabinet confirmation of a further advisory group member.</p>
<p>Seeking agreement on responding to Cabinet Office on report backs</p> <p>Laurie Boyce <small>Privacy of natural persons</small></p>	<p>The Cabinet Office maintains a list of requests by Cabinet or Cabinet committees for Ministers to report back on work programmes and other relevant matters.</p> <p>Below are the two Energy portfolio report backs to Cabinet listed for you, including a brief summary of the request, due date and Cabinet reference number. These report backs were requested by Cabinet under the previous Labour-led administration.</p> <p>The Cabinet Office has asked for confirmation of which report backs will continue given the new Government's work programme and priorities. Within reason, report backs can be delayed or cancelled, or delegated to associate Ministers. Remaining report backs should be directed to the relevant Cabinet committee by their due date (or if overdue as soon as possible).</p> <hr/> <p>Offshore Renewable Energy: Next Steps for Regulatory Proposals</p> <p>Minister of Energy to report back with specific proposals for iwi and hapu participation, and with final proposals for regulating offshore renewable energy development.</p> <p>Due date: 31 December 2023</p> <p>Reference: DEV-23-MIN-0126 Para 12 008587</p> <p>Confidential advice to Government</p> <p><i>Proposed response to Cabinet Office: The report back will be delayed but is planned for May.</i></p>

	<p>Financial and Contractual Options for the Reserve Diesel Stock Arrangement</p> <p>Minister of Energy to report back on a number of matters relating to the reserve diesel stock arrangement.</p> <p>Due date: 28 February 2024</p> <p>Reference: DEV-23-MIN-0190 Para 16</p> <p>008626</p> <p>Confidential advice to Government</p> <p><i>Proposed response to Cabinet Office: This report-back will be delayed. Responsibility for fuel security of supply has now been delegated to the Associate Minister for Energy, so this report back should be transferred.</i></p> <p>Please confirm you agree with the proposed responses to Cabinet Office. Yes / No</p>
<p>Auckland airport jet fuel resilience</p> <p>Dominic Kebbell</p> <p><small>Privacy of natural persons</small></p>	<p>The Auckland Jet Fuel Supply Resilience Group (Mobil, Z Energy and bp) provides six monthly progress reports on jet fuel supply resilience at Auckland Airport. The group was established following the 2019 Government Inquiry into the Auckland Fuel Supply Disruption, which found that jet fuel supply to Auckland Airport was not sufficiently resilient.</p> <p>The latest progress report was sent to you and Minister Jones on 28 March 2024. The report says that jet fuel demand has recovered to almost pre-COVID levels but there is still not enough storage capacity at the airport to meet the level recommended by the Inquiry.</p> <p>Commercial Information</p> <p>We will provide the Associate Minister of Energy with advice on next steps shortly.</p>

Stakeholder Updates

Title	Comment
<p>Contact Energy’s Tauhara plant potentially operating before this winter</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>In an NZX filing on 28 March 2024, Contact says it “seeks to highlight the possibility that Tauhara could be online for winter 2024”. This is within the context of the Tauhara geothermal plant undergoing checks and commissioning testing during the winter period, with an expectation it will be online with an initial capacity of at least 152 MW in the third quarter of this year (more exact timing to be confirmed).</p> <p>You will have an opportunity to ask for an update at your meeting with Contact on 18 April.</p> <p>Transpower have said they will follow up with Contact Energy seeking more clarity on expected commissioning dates for their purposes including managing the security of supply electricity risk curves.</p> <p>We will continue to monitor and keep you informed on progress for Tauhara commissioning.</p>
<p>High Court finds in Transpower’s favour against Buller Electricity regarding Transmission Pricing Methodology decision</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>The new transmission pricing methodology (TPM) came into effect 1 April 2023.</p> <p>Transpower’s application of the new TPM saw Buller Electricity’s annual transmission charges go from \$445,000 in 2022 to \$2.35 million last year.</p> <p>This was due to Transpower reclassifying some assets as connection assets in the Buller area (previously classified as interconnection assets). Under the TPM, connection assets can be attributed to a particular customer while interconnection assets form part of the wider interconnected national grid. Connection asset costs are allocated directly to the transmission customers who make use of those assets, while the costs of interconnection assets are spread over a wider pool of customers.</p> <p>Buller Electricity estimates the average residential consumer may pay around \$62 more per annum in their lines charge as a result of this reclassification decision.</p> <p>Buller Electricity sought a judicial review of Transpower’s reclassification decision. On 3 April 2024 the High Court dismissed Buller Electricity’s application for a judicial review. We understand Buller Electricity is reviewing the judgement and considering its next steps.</p> <p>The judgement noted that Transpower and Buller Electricity are currently working to rationalise transmission assets in the area, which will lower the distributor’s transmission costs in the future.</p>

Current appointments

Confidential advice to Government

Upcoming appointments

Confidential advice to Government

Other Updates

Title	Comment
<p>Gas security of supply</p> <p>Dominic Kebbell</p> <p>Privacy of natural persons</p>	<p>Production at the Pohokura field is yet to return to pre-outage levels following the completion of its 4-year turnaround on 26 March. Enerlytica has reported that the field's output since 28 March has been in the range of 30-40 TJ/day, up to 50 per cent below the pre-outage level of 58 TJ/day, reducing total system production by 5-8 per cent compared to before the outage.</p> <p>At the same time, the scheduled outage of the Kapuni field began on 2 April 2024 and is ongoing until 16 April 2024, reducing production by an additional 41 TJ/day. The combined impact of the Kapuni outage with Pohokura's reduced capacity leaves gas production at around 80 percent of what it was before the Pohokura turnaround began on 9 March 2024.</p> <p>Methanex is still running only one of its two Motunui trains. It is unlikely to restart the second one until production is restored at Kapuni.</p>

Electricity security of supply

Tamara Linnhoff

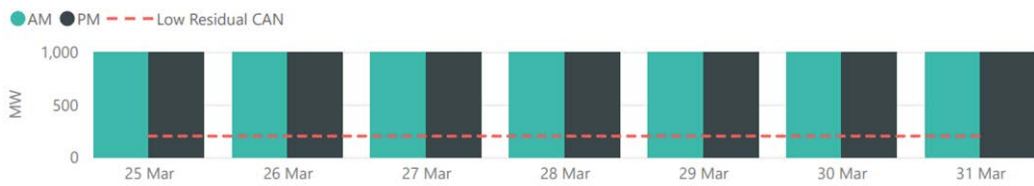
Privacy of natural persons

ELECTRICITY GENERATION CAPACITY (for the week to 31 March)

Capacity margins were healthy last week with consistently high wind generation for the first half of the week and low demand over the long weekend.

Residuals for week to 31 March 2024 were above the preferred 200MW threshold.

Lowest Residual Points - MW

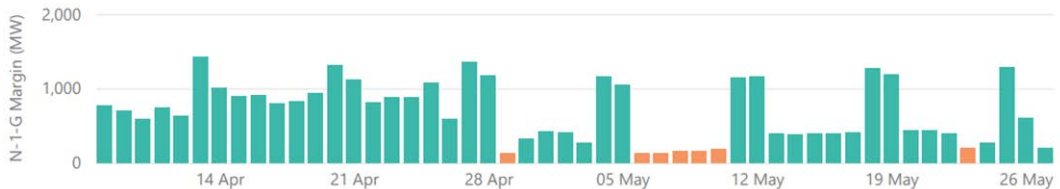


(Source: System Operator, Market Operations - Weekly Market Movements)

Forecast N-1-G margins are high until late April and early May when there are six days with low margins forecast. The lowest N-1-G margin during the forecast period is 132 MW on the 6th and 7th of May.

The N-1-G margin is sufficient to meet peak demand in the look-ahead through to end of April 2024:

NZGB Look-Ahead (excluding next 7 days)



(Source: System Operator, Market Operations - Weekly Market Movements)

ENERGY (HYDRO) STORAGE (for the week to 31 March)

National hydro storage now sits at 88% of the historic mean, up from 87% a week ago. South Island storage is at 84% of the historic mean, which is roughly the 10th percentile, and North Island storage dropped from 145% to 139% of the historic mean. South Island inflows rose throughout the week to reach the historic average by Sunday.

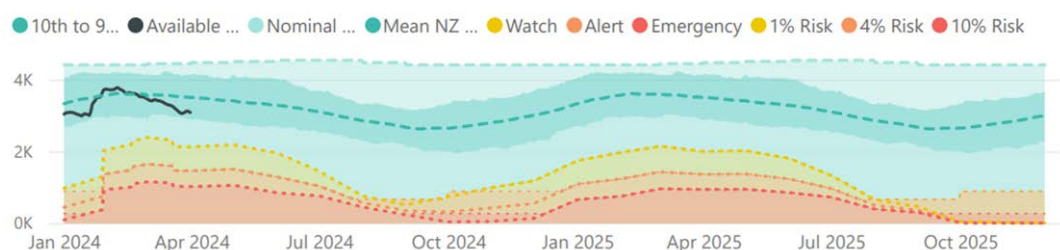
ELECTRICITY SUPPLY RISK (at 31 March)

Energy risk as measured by hydro storage levels relative to the energy risk curves.



New Zealand controlled energy storage is average for this time of year:

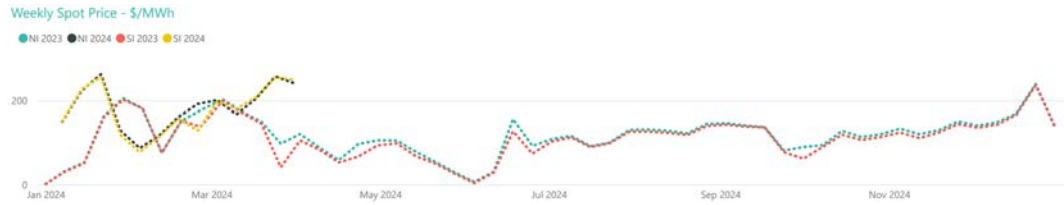
New Zealand Energy Risk Status Curves (Available GWh)



(Source: System Operator, Market Operations - Weekly Market Movements)

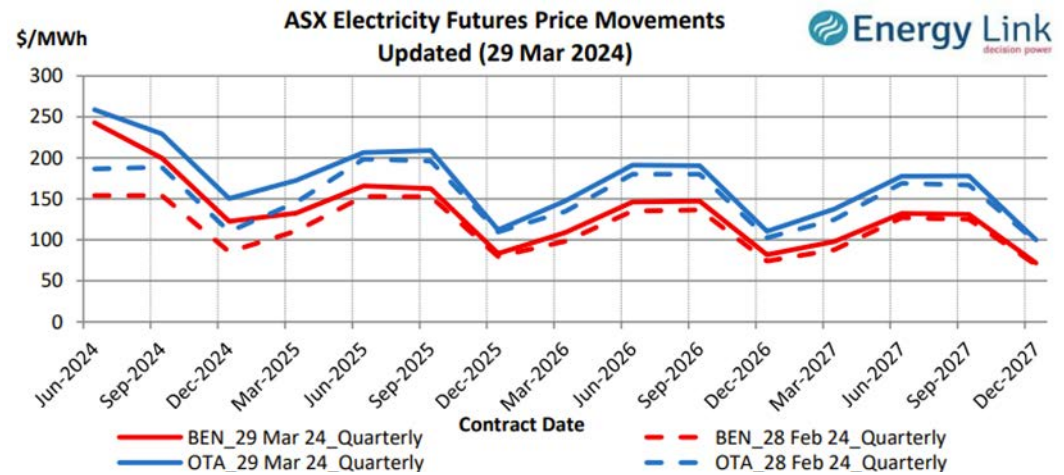
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 31 March 2024)



(Source: System Operator, Market Operations - Weekly Market Movements)

ASX Electricity Futures Prices (as at 31 March 2024)



(Source: Energy Link, Energy Trendz Weekly)

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Monday, 8 April 2024 4:30pm – 5:00pm	Meeting with the EU Ambassador, HE Mr Lawrence Meredith	Briefing Due: 3 April 2024 Officials required: Peter Bartlett, Nora Maarleveld
Monday, 8 April 2024 7:00pm – 7:30pm	Dinner with Wellington business people, hosted by Simon Arcus, Business Central	Briefing Due: 4 April 2024 (Transport led) Officials required: N/A
Tuesday, 9 April 2024 6:00pm – 7:00pm	Infrastructure and Investment Minister's Group	Briefing Due: N/A Officials required: N/A
Wednesday, 10 April 2024 8:30am – 9:00am	Meeting with DPMC officials	Briefing Due: 5 April 2024 (DIA led) Officials required: Justine Cannon, Gareth Wilson
Wednesday, 10 April 2024 10:50am – 11:10am	Meeting with Electricity Authority CEO and management	Briefing Due: 8 April 2024 Officials required: Sharon Corbett, Tamara Linnhoff
Wednesday, 10 April 2024 11:10am – 11:30am	Meeting with Transpower CEO and management	Briefing Due: 8 April 2024 Officials required: Sharon Corbett, Tamara Linnhoff
Wednesday, 10 April 2024 11:30am – 12:00pm	Meeting with Energy Resources Aotearoa CE, John Carnegie	Briefing Due: 8 April 2024 Officials required: Justine Cannon, Sharon Corbett
Wednesday, 10 April 2024 3:30pm – 3:50pm	Meeting with Chair of EECA	Briefing Due: N/A Officials required: Michael Bird
Wednesday, 10 April 2024 6:15pm – 7:30pm	Dinner with Energy Sector generator/retailers	Briefing Due: N/A Officials required: N/A
Thursday, 11 April 2024 11:00am – 11:30am	Meeting with Hon Heather Roy (Chair) and Neil Mallon (Commissioner), Utilities Disputes (UDL)	Briefing Due: 9 April 2024 Officials required: Scott Russell
Thursday, 11 April 2024 11:30am – 12:00pm	Meeting with John Thorburn (CEO) and Sam Peate (COO), Entrada; Adelle Keely (CEO) and Esther Robinson, Acumen	Briefing Due: 9 April 2024 (Transport led) Officials required: N/A
Thursday, 11 April 2024 3:30pm – 4:00pm	Meeting with Hon Chris Bishop and Danusia Wypych, ChargeNet	Briefing Due: 9 April 2024 (Transport led) Officials required: Peter Bartlett

Meeting date	Meeting	Details
Thursday, 11 April 2024 4:00pm – 4:30pm	Meeting with Peter Scott (Chair) and Patrick Lindsay (Principal Strategic Advisor), Canterbury Regional Council	Briefing Due: 9 April 2024 (Transport led) Officials required: N/A
Thursday, 11 April 2024 4:30pm – 5:00pm	Meeting with Mike Burrell, Sustainable Business Council and Climate Leaders Coalition	Briefing Due: 9 April 2024 (Transport led) Officials required: Justine Cannon, Scott Russell

2. Upcoming Briefings and Aides Memoire to Minister for Energy

Due date	Product	Sign out Manager
w/c 8 April	Briefing Further amendments to the Electricity (Hazards from Trees) Regulations 2003	Tamara Linnhoff
<small>Confidential advice to Government</small>	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
s 9(2)(f)(iv)	[Redacted]	[Redacted]
Timing TBC	Briefing Advice on competition issues in wholesale and retail electricity markets	Tamara Linnhoff
<small>Confidential advice to Government</small>	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
Timing TBC	Briefing Advice on potential measures to enable distributed energy resources and a smarter electricity system	Peter Bartlett

3. Written Parliamentary Questions

None this week

4. Upcoming Cabinet papers

Committee	Due date to Minister	Title of Paper	Comment or Purpose
Confidential advice to Government			
Confidential advice to Government			
ECO	May 2024	Hazardous Trees policy	To seek Cabinet agreement to changes to Hazardous Tree policy

5. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
08/04/24	SB24-298	Privacy of natural persons	Hydropower and Electrical storage
08/04/24	SB24-1296	Privacy of natural persons	Renewable energy fund
10/04/24	SB24-303	Privacy of natural persons	Business Plan to produce bio ethanol from sugar/fodder beet
11/04/24	SB24-305	Privacy of natural persons	Cables under Foveaux Strait
12/04/24	SB24-308	Privacy of natural persons	Solar energy in New Zealand

6. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
12/04/24	OIA24-150	Privacy of natural persons	Weekly reports from officials to the Minister of Energy (27 November 2023 – 22 March 2024)	Gathering information	Kylie Smeaton

7. Departmental Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
5/04/24	2324-1398	Privacy of natural persons	Briefings related to the Government Investment in Decarbonising Industry	With Minister's office for information	Scott Russell
5/04/24	2324-1660	Privacy of natural persons	Request for copies of briefings sent to Minister of Energy	With Minister's office for information	Scott Russell

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
5/04/24	2324-1673	<div style="background-color: black; color: red; font-size: small; padding: 2px;">Privacy of natural </div> <div style="background-color: black; width: 40px; height: 15px; margin-top: 2px;"></div>	All briefings (listed in BIM) provided to the Current Minister of Energy	With Minister's office for information	Scott Russell
5/04/24	2324-1790	<div style="background-color: black; color: red; font-size: small; padding: 2px;">Privacy of natural </div> <div style="background-color: black; width: 40px; height: 15px; margin-top: 2px;"></div>	Copy of all briefings (listed in BIM) relating to energy supply & emissions	With Minister's office for information	Scott Russell

8. Work programme and milestones

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing: 15/04/2024

Priority: Medium

Security classification: In Confidence

Tracking number: 2324-2715

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Justine Cannon
General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

12 April 2024

Minister's comments:

**Energy Portfolio
Officials' Meeting Agenda
5:00 pm – 6:00 pm Monday, 15 April 2024**

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Hazards from Trees Regulations	Osmond Borthwick	Paper 2324-2686	Discussion
2.	Energy Hardship Panel Report	Scott Russell	Oral	Discussion
3.	Fast Track Bill	Susan Hall	Oral	Discussion
4.	Security of Supply	Dominic Kebbell Tamara Linnhoff Stephen Tat	Oral and A3 to table	Discussion
5.	Weekly Report & Work Programme/100 Days	Minister	Oral	Discussion
6.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Susan Hall	Policy Director, Energy Markets
Peter Bartlett	Director, Sector Engagement
Daniel Brown	Manager, Electrify NZ
Dominic Kebbell	Manager, Gas and Fuel Supply Policy
Tamara Linnhoff	Manager, Electricity Policy
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
Scott Russell	Manager, Energy Use Policy
Osmond Borthwick	Strategic Advisor Regulatory Policy & Practice, Electricity Policy
Stephen Tat	Principal Advisor, Electricity Policy

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>Last week we held workshops with the electricity distribution sector and solar developers to discuss the proposals in Electrify NZ.</p> <p>On 10 April 2024 you met with the Electricity Authority CE and senior management who described work underway relating to distribution pricing (including connection costs) and regulatory reform which will support elements of Electrify NZ. The Authority expects to publish a position paper on next steps for distribution pricing in May. The Commerce Commission will also launch consultation in May on allowable revenue for electricity distribution businesses and for Transpower.</p>
<p>Fast-Track Consenting Regime</p> <p>Susan Hall <small>Privacy of natural persons</small></p>	<p>An initial departmental briefing for the Environment Select Committee was held on Thursday 11 April 2024. Officials are responding to two questions raised by the Committee, relating to which parts of land will be ineligible for Fast-track projects and examples of species under the Wildlife Act that may be threatened by the legislation. The initial briefing will be concluded at the next Select Committee session on 2 May, which is when oral submissions will also commence.</p> <p>Ministers have invited developers to apply to have projects listed in the legislation and have announced the membership of the Fast Track Approvals Bill Advisory Group. Officials held a first meeting with the Group Chair on Friday. MBIE is acting as Secretariat for the Group.</p>

Stakeholder Updates

Title	Comment
<p>Aurora “reopener” for \$46.3m extra funding this period</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Aurora Energy, the electricity distributor supplying 200,000 residents across Otago, has applied to the Commerce Commission for a “reopener” of its regulated revenue for the current period (to April 2026), seeking an \$46.3m extra in revenue recoverable from consumers.</p> <p>As a price-quality regulated distributor, the Commission determines Aurora’s recoverable revenue. In April 2021 Aurora entered a customised price path (CPP) to address historic underinvestment. It says that at that time projected demand was uncertain, but that demand has outstripped projections and extra investment is now needed.</p> <p>The bulk of the extra spending sought – just under \$26 million of the \$46.3 million – is needed for consumer connection capex. The extra revenue would be recoverable up to April 2026. Then, Aurora’s CPP will end, and its revenue will then be decided by the default price path (DPP) that applies to other price-regulated distributors.</p> <p>The Commission will now consider Aurora’s application and whether to allow the extra revenue. We understand from the Commission that this process may be more complicated than usual for a reopener, as Aurora is seeking revenue both for future investments and for investments already in the process of being delivered.</p>
<p>Vector removal of set connection fees</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Vector’s latest Asset Management Plan confirms it has scrapped standard prices for new electricity connections due to the “rapid escalation in costs when providing our services”.</p> <p>The Auckland electricity distributor will have more discretion to set pricing according to the nature of the connection work involved and to respond to rising prices. However, this may</p>

	<p>also reduce customer certainty on the costs of new connections – something cited as important by submitters in MBIE’s recent energy consultations.</p> <p>In addition to rising costs, Vector has suggested the change is driven by growing regulator demand for cost reflective pricing and that standard prices made this “challenging”.</p> <p>As noted above the Electricity Authority expects to release a position paper on distribution pricing reform. Any changes to regulations following that are likely to impact the ability of Vector (and other electricity distributors) to set pricing for new connections.</p>
<p>ASB and Rewiring Aotearoa financing pilot</p> <p>Peter Bartlett <small>Privacy of natural persons</small></p>	<p>ASB and Rewiring Aotearoa have announced they are financing a pilot study into the opportunities and barriers for consumers to power their homes with renewable electricity and explore the role of the private sector in funding the move to an electrified economy.</p> <p>The study will look at the conversion to renewable energy for a “sample of Kiwi homes” with the installation of solar panels and batteries, electric hot-water heating, electric cooktops, heat pumps and electric vehicles. The pilot will inform the development of new ASB finance products and services (they currently offer a ‘better homes’ top-up which allows home-loan customers to borrow up to \$80,000 of additional funding at a 1 per cent interest rate for home improvements), with the intention of helping more consumers move away from fossil fuels.</p>
<p>Foresta black biomass pellet plant investment</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Foresta has announced investment in a black biomass pellet plant in the North Island at Kawerau. The lack of domestic black pellet production is a key gap in the supply chain to enable biomass to fuel electricity generation at scale.</p> <p>Black biomass pellets could replace coal as stored energy. Coal-fired generation is expensive, highly emitting, and unpopular among investors which makes it commercially difficult to maintain ageing generating plant if they continue to run on coal.</p> <p>The transition to biomass could be a significant step in enabling Genesis Energy to secure the commercial agreement they desire to maintain the Rankine Units at Huntly Power Station. Foresta specifically cited Genesis biomass trials in their press release.</p>

Current appointments

Confidential advice to Government

Upcoming appointments

Confidential advice to Government

Other Updates

Title	Comment
<p>Gas security of supply</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>Gas supply remains low, with total production at around 280 TJ/day as of Wednesday 10 April, which is still around 15 per cent lower than prior to the Pohokura turnaround. Pohokura output has not recovered to pre-outage levels of 58 TJ/day, remaining below 40 TJ/day on average.</p> <p>MBIE will be releasing the monthly gas production data for February on its public website in the next few days. This data will show that February's gas production was the lowest production month since the 1980s. There is no media release accompanying the data, but it is possible energy news media may pick up on the data and its significance.</p> <p>The data for March will almost certainly show an even lower figure than February due to the Pohokura outage. This data will be reported in mid-May.</p> <p>The Kapuni field is due back online from Saturday initially at expected 17 TJ/day before returning to its full capacity of 41 TJ/day from Sunday.</p>
<p>Government Inquiry into Severe Weather Events</p> <p>Peter Bartlett <small>Privacy of natural persons</small></p>	<p>MBIE has been engaging with the independent Inquiry into the severe weather events of 2023 (e.g. Cyclone Gabrielle, Auckland). We have provided input in respect of the response that was undertaken for the electricity and fuel sectors (MBIE is the lead agency for the Fuel Sector Coordinating Entity that responds to fuel crises, while Transpower typically leads emergency responses for electricity).</p> <p>We have been advised that the Inquiry delivered its report to the Minister of Emergency Management and Recovery on 26 March, and that the Secretariat has concluded the process and disbanded.</p> <p>We understand the report findings may be publicly released next week. MBIE have asked DPMC for a copy of the report. DPMC is expected to coordinate the response to the report recommendations on behalf of government.</p> <p>A cross- agency steering group to support the government response to the report is likely to be established drawing on senior officials from across agencies and reporting to the Hazard and Risk Board. DPMC have indicated they will be looking to report back to Cabinet in August.</p> <p>We will provide any further updates to your office as we receive them.</p>
<p>Standards New Zealand to open consultation on hydrogen standards adoption</p> <p>Melanee Beatson <small>Privacy of natural persons</small></p>	<p>Standards New Zealand is due to start consultation on 19 April 2024 on the adoption of 14 international ISO standards relating to hydrogen refuelling. These standards cover conformity and quality of hydrogen fuel, compressed and metal hydride hydrogen containers and specifications for refuelling stations. This is the first stage of standards adoption as set out in the hydrogen standards implementation strategy.</p> <p>This work has been developed by the Hydrogen Standards Committee, which is led by Standards New Zealand, with membership from government organisations and the New Zealand hydrogen sector. Hiringa Energy, the New Zealand Hydrogen Council, GNS, the Gas Industry Company, Z Energy and Worksafe Energy Safety are some of the members of the Committee.</p> <p>The hydrogen sector has strongly advocated for the need for the recognition of standards to underpin investment certainty, while ensuring safety. We expect the consultation will be welcomed by the sector.</p> <p>The consultation will run for six week, Following this, Standards New Zealand will proceed in July with the formal adoption process, taking into account any feedback.</p>

Significant renewable generation projects announced within the last six months

Tamara Linnhoff
Privacy of natural persons

You asked for more information on recent announcements of new generation projects. The table below outlines announcements within the last six months relating to significant new progress made on generation projects.

This is not an exhaustive list of media announcements as it does not include public communications about projects that had already been previously announced (such as Contact's 230-350MW Southland wind farm and Harmony's North Island wind farms).

From now on we will provide regular updates in this Weekly Report to keep you informed of new announcements relating to significant progress on the development of generation projects.

Project	Developer	Type	MW	Stage	Estimated Completion
Maniototo	Helios Energy	Grid-scale battery	100	Applying for consent	2 years
Maniototo	Helios Energy	Solar	300	Applied for consent	2028
Ongaonga	Helios Energy	Solar	100	Applied for consent	2027
Ruakākā solar	Meridian Energy	Solar	100-150	Consented	2025
Canterbury Solar (3 sites)	Lodestone	Solar	86	Consented	2026
Marlborough solar (4 sites)	Marlborough Lines Company	Solar	22	Under construction	2024
Ruawai solar	Northpower	Solar	17	Under construction	2024

Security of Electricity Supply

Tamara Linnhoff
Privacy of natural persons

ELECTRICITY CAPACITY (for the week to 7 April 2024)

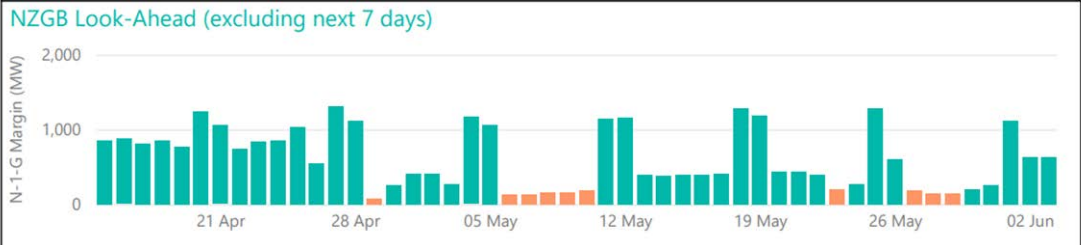
Residuals for week to 7 April 2024 were above the preferred 200MW threshold.



Source: System Operator, Market Operations - Weekly Market Movements

Transpower publish forecast balances: (of expected supply – generation and transmission capacity; and expected demand) to signal to industry participants. A week-ahead tight balance is a signal primarily for generators to offer in additional generation or large-scale demand response.

Forecast N-1-G margins are high until late April and early May when there are five days with lower margins forecast. The lowest N-1-G margin during the forecast period is 82 MW on 29 April.



Source: System Operator, Market Operations - Weekly Market Movements

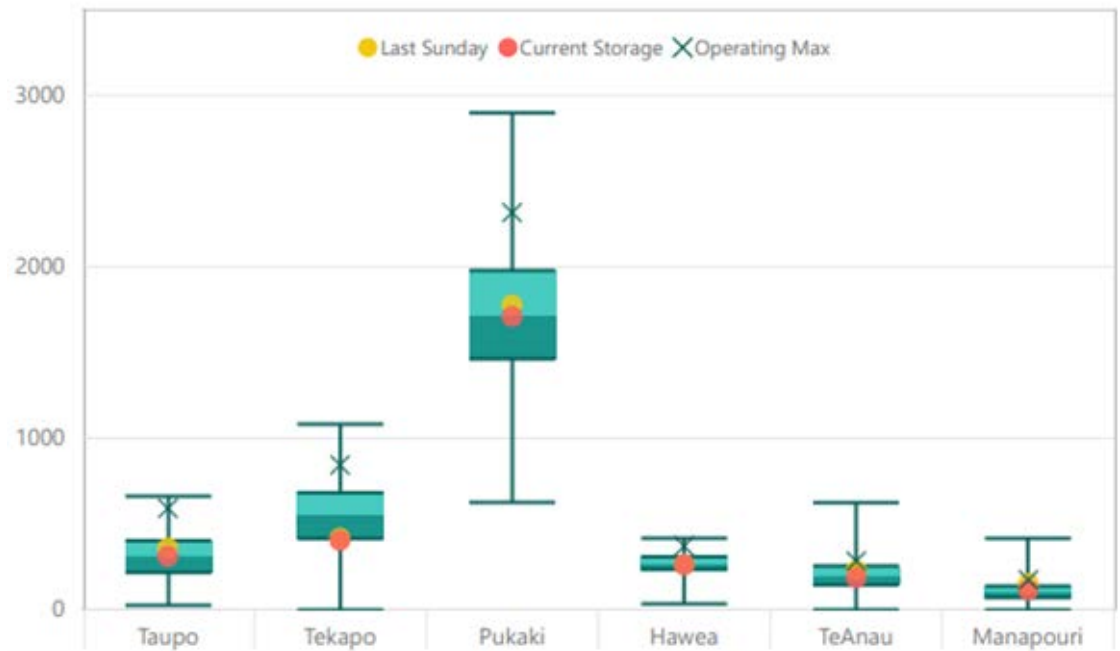
ENERGY (HYDRO) STORAGE

Up to 7 April 2024: National hydro storage fell to 83% of the historic mean last week, down from 88% the previous week. It is now nearing the lowest 10% of historic storage levels. South Island storage is at 80% of the historic mean while North Island storage dropped from 139% to 129% of the historic mean. Inflows expected in the South Island this week should translate into a better hydro storage position.

You recently asked us to include more detailed information on hydro storage levels.

The following information is current at 10 April 2024, and does not include the rainfall event occurring on 10-11 April – at the time of writing we are awaiting data. We will provide an update in the coming days. Storage is expressed in gigawatt-hours – GWh (a measure of the energy that can be produced using the water).

National Lake Storage (Available GWh) Against Historic Levels



Source: System Operator, Market Operations – Hydro Information

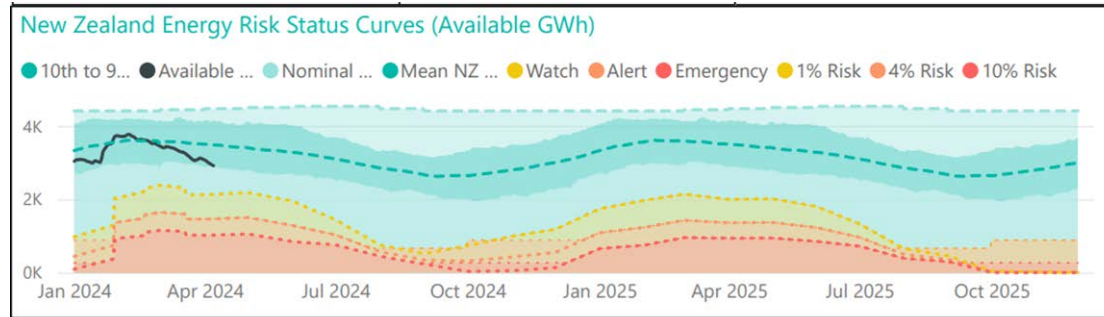
We are attempting to obtain data at a more detailed level and will improve the presentation of this section of the Weekly as soon as possible.

ELECTRICITY SUPPLY RISK (as at 7 April)

Energy risk as measured by hydro storage levels relative to the energy risk curves.
New Zealand controlled energy storage is below average for this time of year:

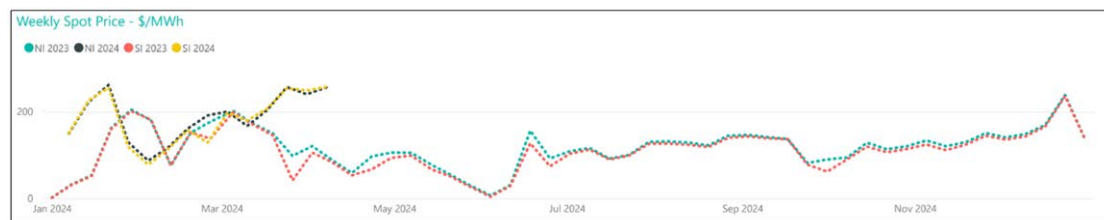


Source: System Operator, Market Operations - Weekly Market Movements



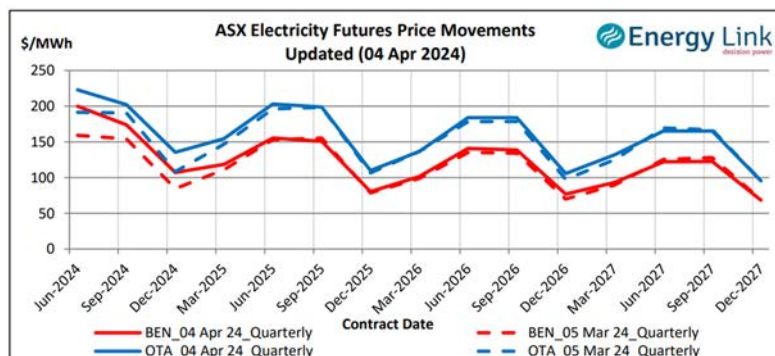
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 7 April)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 4 April 2024)



Source: Energy Link, Energy Trendz Weekly

ERP2 Energy - content for public consultation


Scott Russell

Privacy of natural persons

On 22 March, we provided you with draft energy content for ERP2 consultation [2324-2313 refers]. We have since:

- updated the content to reflect your feedback
- submitted the updated content to the Ministry for the Environment for compilation into the cross-government discussion document
- sent a copy of the updated content to your office.

	<p>You will have a further opportunity to provide feedback on this ERP2 discussion document during Ministerial consultation, scheduled for May 2024.</p>
<p>Climate Change Commission consultation</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>On 8 April 2024 the Climate Change Commission began consultation on three connected pieces of draft advice required under the Climate Change Response Act 2002. The Commission’s final advice is due by 31 December 2024, and the Government will need to make decisions in response to this by 31 December 2025. These decisions will need to balance a range of factors, including trade-offs in reducing emissions between sectors in the economy and the short and long-term economy-wide impacts of pursuing more ambitious reductions than the current target and emission budgets. The three pieces of draft advice are:</p> <ol style="list-style-type: none"> 1. Draft advice on the fourth emissions budget (EB4) 2036-2040: When recommending emissions budgets, the Commission is required to consider the need for these to be ambitious but technically and economically achievable. Its draft advice proposes that the Government set EB4 at 134 MtCO₂e, which means emissions would be 63% lower across the budget period than in 2021. It also proposes that the Government amend the first three emissions budgets reflecting significant new information and methodological changes since these were set. The proposed amendments across these budgets would require more ambitious levels of emissions reductions. 2. A review of the 2050 emissions target: The Commission is required to review New Zealand’s 2050 split gas target for carbon emissions and biogenic methane every five years. Its draft review notes some significant changes have occurred since the target was set in 2019, and that the Government may be justified in considering strengthening it. However, the Commission notes the initial findings do not necessarily mean the target should be changed, as more analysis is needed and decisions will be a matter for the Government. 3. A review of whether emissions from international shipping and aviation should be included in the 2050 target: The Commission does not provide a firm recommendation on this issue but suggests that an approach combining strong international and domestic action on these emissions is likely to be in New Zealand’s best interests. <p>The Commission is a Crown entity that provides independent, evidence-based advice to the Government on climate issues. Consultation on its draft advice closes on 31 May. If asked about this advice, we suggest noting that the Government looks forward to receiving the final advice and not commenting on the content as it is in draft format and subject to an active consultation process.</p>
<p>New Zealand’s Greenhouse Gas Inventory</p> <p>Mike Hayward <small>Privacy of natural persons</small></p>	<p>On Thursday 18 April 2024 the Ministry for the Environment will release New Zealand’s Greenhouse Gas Inventory 1990-2022.</p> <p>New Zealand’s Greenhouse Gas Inventory is an annual report of all human-induced emissions and removals of greenhouse gases for New Zealand. MBIE is responsible for estimating and reporting annual emissions for the energy sector, including transport emissions. The inventory tracks progress towards our domestic and international emissions targets and is a mandatory reporting obligation under the United Nations Framework Convention on Climate Change (UNFCCC).</p> <p>The Inventory is a New Zealand Tier 1 statistic and is subject to specific release protocols under the Official Statistics System. While specific numbers from the latest Inventory are unable to be shared prior to release, below is a summary of the key findings that have already been publicly signalled through emissions reporting in MBIE’s Energy Quarterly.</p>

	<p>Key findings:</p> <ul style="list-style-type: none"> • New Zealand’s gross emissions in 2022 were lower than in 2021, and emissions are the lowest they have been since 1999. The decrease between 2021 and 2022 is the largest annual decline in emissions across the time series (1990 – 2022). • The main driver of the decrease in gross emissions in 2022 was a decrease in emissions from electricity generation. The 2022 winter was the wettest and warmest on record, resulting in greater hydroelectric generation that displaced coal and gas fired generation. • New Zealand’s gross emissions peaked in 2006. Emissions then stayed relatively stable until 2019, when they decreased due to the coronavirus (COVID-19) pandemic and relatively high levels of hydro power generation in 2022. • Energy emissions increased from 1990 until 2006 and have been stable since. Transport emissions continued to increase until 2018 but have been offset by a downward trend in emissions from electricity generation since 2006.
<p>Update on Funds: SEEC Programme and Community Renewable Energy Fund</p> <p><i>Scott Russell</i> <small>Privacy of natural persons</small></p>	<p>The first Community Resilience funding agreement for Te Poho-o-Rawiri Marae in Gisborne has been executed and a solar PV and battery system has been installed. The site has 29.7 kWh of solar and 26.2 kWh of battery that will generate electricity for the marae. Funding agreement negotiations are in progress for an additional 54 sites in areas affected by 2023 severe weather with all expected to be completed by mid-2024.</p> <p>SEEC is also progressing with funding negotiations with 21 organisations, these are expected to conclude by June 2024.</p> <p>Officials are working with your office on announcement opportunities for CREF and SEEC.</p> <p><i>Picture: Solar on Te Poho-o-Rawiri Marae in Gisborne, Tairāwhiti</i></p> 

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Tuesday 16 April 2024 9:30 am – 5:00 pm	Visit to TPO for Energy Caucus Committee	Briefing Due: N/A Officials required: N/A
Tuesday 16 April 2024 5:00 pm – 6:00 pm	Multi Ministers (funding and financing work programme)	Briefing Due: N/A Officials required: Office to confirm
Wednesday 17 April 2024 11:00 am – 12:30 pm	Trans-Tasman Business Circle Luncheon at Dentons, 18 Viaduct Harbour Ave, Auckland	Briefing Due: (Transport led) Officials required: N/A
Thursday 18 April 2024 8:00 am – 8:20 am	Meeting with Genesis Energy	Briefing Due: 15 April 2024 Officials required: Justine Cannon, Tamara Linnhoff
Thursday 18 April 2024 8:40 am – 9:00 am	Meeting with Commerce Commission	Briefing Due: 16 April 2024 Officials required: Justine Cannon, Tamara Linnhoff
Thursday 18 April 2024 9:20 am – 9:40 am	Meeting with Meridian Energy	Briefing Due: 15 April 2024 Officials required: Justine Cannon, Tamara Linnhoff
Thursday 18 April 2024 10:20 am – 10:40 am	Meeting with Contact Energy	Briefing Due: 15 April 2024 Officials required: Justine Cannon, Tamara Linnhoff, Dominic Kebbell
Thursday 18 April 2024 11:00 am – 11:20 am	Meeting with Mercury	Briefing Due: 15 April 2024 Officials required: Justine Cannon, Tamara Linnhoff, Peter Bartlett
Thursday 18 April 2024 11:30 am – 12:00 pm	Meeting with Jarden + Fund Managers/KiwiSaver providers	Briefing Due: 15 April 2024 Officials required: Justine Cannon, Gareth Wilson
Thursday 18 April 2024 12:30 pm – 12:50 pm	Meeting with Methanex	Briefing Due: 15 April 2024 Officials required: Justine Cannon, Dominic Kebbell
Friday 19 April 2024 10:30 am – 11:00 am	Meeting with Justin Tipa, Kaiwhakahaere - Te Rūnanga o Ngāi Tahu, at Christchurch (rescheduled)	Briefing Due: N/A Officials required: N/A

2. Upcoming Briefings and Aides Memoire to Minister for Energy

Due date	Product	Sign out Manager
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
w/c 22 April	Briefing Progressing a Consumer Data Right for the Electricity Sector	Scott Russell
w/c 15 April	Briefing Release of consultation submissions	Sharon Corbett
w/c 15 April	Briefing Offshore Renewable Energy: Interaction with Environmental consenting	Melanee Beatson
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
s 9(2)(f)(iv)	[Redacted]	[Redacted]
Timing TBC	Briefing Advice on competition issues in wholesale and retail electricity markets	Tamara Linnhoff
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
Timing TBC	Briefing Advice on potential measures to enable distributed energy resources and a smarter electricity system	Peter Bartlett

3. Written Parliamentary Questions

None this week.

4. Upcoming Cabinet papers

Committee	Due date to Minister	Title of Paper	Comment or Purpose
Cabinet	Paper being amended by your office for Cabinet consideration on 15 April	Supercharging EV Infrastructure Work Programme	To set out work underway to deliver Supercharging EV Infrastructure
Confidential advice to Government			
Confidential advice to Government			
ECO	May 2024	Cabinet paper: Hazardous Trees policy	To seek Cabinet agreement to changes to Hazardous Tree policy

5. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
17/04/24	SB24-313	Privacy of natural persons	Encourage bigger Solar systems on to New Zealand homes
19/04/24	SB24-384	Privacy of natural persons	Tidal power
19/04/24	SB24-390	Privacy of natural persons	Ocean current and tidal energy developer

6. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
15/04/24	OIA24-148	Privacy of natural persons	All briefings and reports received between February 1- 29	Scoping	TBC
15/04/24	OIA24-150	Privacy of natural persons	Weekly reports from officials to the Minister of Energy	Gathering Information	Kylie Smeaton

7. Departmental Official Information Act Requests

None this week

8. Work programme and milestones

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing: 22/04/2024

Priority: Medium

Security classification: In Confidence

Tracking number: 2324-2717

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Justine Cannon
General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

19 April 2024

Minister's comments:

Energy Portfolio
Officials' Meeting Agenda
1:45 pm – 2:30 pm Monday, 22 April 2024

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Appointments (closed session)	Michael Bird Paul Metcalf	Paper 2324-2578	Discussion
2.	Consumer Data Right	Scott Russell	Oral	Discussion
3.	Weekly Report & Work Programme	Minister	Oral	Discussion
4.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Michael Bird	General Manager, Entity Performance, and Investment
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Peter Bartlett	Director, Sector Engagement
Dominic Kebbell	Manager, Gas and Fuel Supply Policy
Tamara Linnhoff	Manager, Electricity Generation, Infrastructure and Markets Policy
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
Scott Russell	Manager, Energy Use Policy
Paul Metcalf	Manager, Appointments and Governance
Osmond Borthwick	Strategic Advisor, Regulatory Practice and Policy (Tentative)

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>We have completed workshops with the electricity generation and distribution sectors to discuss the proposals in Electrify NZ. We continue to develop policy proposals for Electrify NZ for inclusion in the RM Amendment Bill No.2, informed by this feedback.</p> <p>Network Regulation and new connections: Work continues across the Authority and Commerce Commission. The Commission expects to launch consultation on proposed revenue resets for regulated distributors and Transpower around 30 May, and the Authority expects to publish a position paper on new connection charges during May 2024.</p>
<p>New permitting regime for offshore renewable energy</p> <p>Melanee Beatson <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p>
<p>Fast-Track Consenting Regime</p> <p>Susan Hall <small>Privacy of natural persons</small></p>	<p>The first meeting of the Fast-track Projects Advisory Group took place on 17 April 2024 supported by MBIE and MFE officials. The focus for the next two weeks is to ensure we have all the material, templates and processes in place to support the Group in its work. MBIE officials will be meeting again with the chair on 26 April 2024. Applications for the process close on 3 May 2024.</p>
<p>Hazards from Trees Regulations</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>A revised draft cabinet paper was provided to your office on 15 April 2024. Feedback was received on 18 April 2024 and at the time of writing we expect to provide a revised draft to your office by 3pm 19 April 2024, ready for Ministerial consultation. Work on the Regulatory Impact Statement (including gaining a RIS assessment for inclusion in the Cabinet Paper) is ongoing.</p>
<p>Consumer Data Right for Electricity</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>We have established a project team to progress a Consumer Data Right for the electricity sector as a high priority initiative. We are working closely with officials in MBIE's Consumer Policy team leading the Consumer Data Right policy and legislative processes for the Minister of Commerce and Consumer Affairs, the Minister responsible for the regulatory regime. We are also liaising with the Electricity Authority given the relationship with its role as electricity regulator and the data-sharing initiatives the Authority has in train, such as electricity plan comparison and switching.</p> <p>We are preparing a briefing to you and Minister Bayly in the week commencing 22 April. The briefing sets out the policy issues, a high-level work programme and target timelines for progressing a Consumer Data Right for the electricity sector and proposes next steps.</p>
<p>Energy Hardship Expert Panel final report and next steps</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>The Energy Hardship Expert Panel (EHEP) was appointed by the previous Government in late 2021 to provide impartial, evidence-based advice on how best to alleviate energy hardship in New Zealand. Its origins were in recommendations from the earlier Electricity Price Review. Following a 22-month process that included extensive stakeholder engagement, the EHEP submitted its final report <i>Te Kore, Te Pō, Te Ao Marama: Energy Hardship: The challenges and a way forward</i>, in July 2023. The final report was released under OIA in November 2023 and is available on MBIE's website.</p> <p>The EHEP identified seven key issue areas and made 47 recommendations for a range of government agencies, crown agencies, and independent regulators. While the EHEP's remit was focused on those in energy hardship, the EHEP's recommendations support improving energy affordability more broadly using a range of pricing, switching, usage and direct</p>

	<p>support levers. The EHEP also made recommendations that affect other portfolios, including Social Development and Housing in particular.</p> <p>In September 2023, MBIE was tasked with preparing an all-of-government response to the EHEP’s recommendations. We commenced this work but it was paused following the change of Government and while we progressed 100 day plan priorities. Following an oral briefing on the EHEP’s report from officials on Monday 15 April, a copy of the EHEP’s final report was provided to your office on Tuesday 16 April as requested.</p> <p>Energy portfolio recommendations</p> <p>Some of the recommendations related to the energy portfolio have gained traction and are being progressed to varying degrees. These include the Electricity Authority’s work to mandate the Consumer Care Guidelines, work to improve electricity comparison and switching service, and on collecting more retail data; MBIE’s work to deliver the SEEC Programme and Community Renewable Energy Fund; and EECA’s commissioning of new research on household electrification.</p> <p>Next steps</p> <p>There is considerable and ongoing stakeholder interest in the Government’s views on this report’s findings and recommendations, and on addressing energy hardship more broadly.</p> <p>Free and frank opinions</p> <p>[Redacted]</p> <p>We seek your direction on whether, and if so how, you wish to formally respond to the report’s recommendations. If you wish to formally respond to the recommendations (in whole or in part), we will provide further advice. If you decide not to formally respond to the recommendations, we will provide communications support to your office.</p> <p>Recommendation:</p> <p>We recommend communicating publicly that the Government has a range of work underway to address energy affordability rather than formally responding to the Report which was commissioned by the previous Government.</p> <p>Indicate whether you wish to respond formally to the recommendations of the Energy Hardship Expert Panel’s 2023 report.</p> <p style="text-align: right;"><i>Yes / No / Discuss</i></p>
<p>Supercharging EV Infrastructure</p> <p>Peter Bartlett <small>Privacy of natural persons</small></p>	<p>The Cabinet paper was considered on 15 April 2024 and you are intending to announce further EECA funding following finalising the paper.</p> <p>We are developing terms of reference for the cross-agency task force to stand this up shortly. We will also begin to work with Ministry of Transport as they develop the approach to cost benefit analysis for future charging funding.</p>

Quarterly Reporting Update

#	Commitment	Lead Portfolio	Lead Minister	Action	Due Month	Delivery Update	Delivery Status
9	Take decisions on measures to increase investment in renewable electricity generation.	Energy	Simeon Brown	Take Cabinet decisions	June	Electrify NZ Cabinet paper scheduled for discussion at ECO on 1 May 2024.	AMBER: ACTION IS IN PROGRESS

Stakeholder Updates

Title	Comment
<p>Far North Solar Farm has received OIO approval</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Far North Solar Farm has received approval from the Overseas Investment Office for a grid-scale solar farm in the Mackenzie Basin. Called 'The Point', it would generate 420 MW on a 670-hectare block of farmland on the banks of Lake Benmore. The site has existing power lines connected to the national grid carrying energy from the nearby Ohau C hydro station.</p> <p>Far North Solar Farm had applied for resource consent from the Mackenzie District Council and Environment Canterbury but has now suspended the application. Free and frank opinions</p>
<p>Alpine Energy overcharges customers \$19m</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>South Canterbury's community-owned electricity distributor, Alpine Energy, has communicated publicly that it has overcharged customers approximately \$19m between 2015-2023.</p> <p>The error - explained as inadvertent - was discovered during an audit in August 2023, and has been reported to the Commerce Commission. The error has been linked to problems with Alpine's systems. It represents about an additional \$2m a year (or a 3% increase) in Alpine's total annual revenue during the nine-year period.</p> <p>Alpine has apologised to its customers for the mistake and last week its chairperson, Warren McNabb, resigned. The Commerce Commission is investigating the error and has said there are a range of possible options it may take, including no action, sending a warning letter, asking for enforceable undertaking, or bringing a case against Alpine.</p>
<p>Update on Ballance Agri-Nutrients decarbonisation plans at Kapuni</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>Commercial Information</p> <p>[Redacted]</p>

Commercial Information

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Current appointments

Confidential advice to Government

Upcoming appointments

Confidential advice to Government

Title	Comment																																								
<p>Gas security of supply</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>Gas production up from last week, but down from last year</p> <p>Production from Pohokura has recovered further over the last week, to around 45 TJ on Tuesday 16 April, but it is still below the 58TJ/day pre-turnaround level. Enerlytica is still emphasising the system-wide trend of decline and has reported that system exports from the five largest petroleum fields (Maui, Pohokura, Mangahewa, Greater Turangi and Kupe) have fallen from around 400 TJ/day a year ago to around 280 TJ/day currently.</p> <p>Liquid fuel production is an important factor in investment decisions</p> <p>Besides gas, these five fields have a liquid petroleum component to their production – principally condensate (light oil) and LPG. Due to their ability to trade at international market prices, these liquid fuels are more profitable than domestic gas. Production and the international price environment for these liquid components are fundamental features of any decision by operators to reinvest in fields. Production of the liquid components is declining more rapidly than the gas component, compounding the risks around reinvestment in these fields. At current production rates Enerlytica expect 25 per cent lower liquid fuels production in 2024 than expected by operators only 15 months ago, with a revenue impact of more than \$500m.</p> <p>Gas supply uncertainty may be keeping electricity prices high</p> <p>Meridian Energy has been quoted in Energy News as saying rising hydro storage is not producing a corresponding lowering of electricity prices, pointing to ongoing market uncertainty in gas supplies.</p>																																								
<p>Electricity security of supply</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>ELECTRICITY CAPACITY (for the week to 14 April)</p> <p>Capacity margins were healthy last week as a result of high thermal unit commitment. The lowest residual point of 664 MW was on Monday evening.</p> <p><i>Residuals for week to 14 April were above the preferred 200MW threshold.</i></p> <p>Lowest Residual Points - MW</p> <table border="1"> <caption>Lowest Residual Points - MW</caption> <thead> <tr> <th>Date</th> <th>AM (MW)</th> <th>PM (MW)</th> </tr> </thead> <tbody> <tr> <td>08 Apr</td> <td>~950</td> <td>~650</td> </tr> <tr> <td>09 Apr</td> <td>~950</td> <td>~950</td> </tr> <tr> <td>10 Apr</td> <td>~950</td> <td>~950</td> </tr> <tr> <td>11 Apr</td> <td>~950</td> <td>~950</td> </tr> <tr> <td>12 Apr</td> <td>~850</td> <td>~900</td> </tr> <tr> <td>13 Apr</td> <td>~950</td> <td>~950</td> </tr> <tr> <td>14 Apr</td> <td>~950</td> <td>~950</td> </tr> </tbody> </table> <p><i>Source: System Operator, Market Operations - Weekly Market Movements</i></p> <p>N-1-G margins are forecast to tighten in late April/early May and again in late May. As at 14 April the lowest N-1-G margin during the forecast period was 21 MW on 7 May.</p> <p><i>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to mid-June 2024:</i></p> <p>NZGB Look-Ahead (excluding next 7 days)</p> <table border="1"> <caption>NZGB Look-Ahead (excluding next 7 days)</caption> <thead> <tr> <th>Date</th> <th>N-1-G Margin (MW)</th> </tr> </thead> <tbody> <tr> <td>28 Apr</td> <td>~1300</td> </tr> <tr> <td>05 May</td> <td>~1000</td> </tr> <tr> <td>12 May</td> <td>~1100</td> </tr> <tr> <td>19 May</td> <td>~1200</td> </tr> <tr> <td>26 May</td> <td>~1200</td> </tr> <tr> <td>02 Jun</td> <td>~1100</td> </tr> <tr> <td>09 Jun</td> <td>~900</td> </tr> </tbody> </table> <p><i>Source: System Operator, Market Operations - Weekly Market Movements</i></p>	Date	AM (MW)	PM (MW)	08 Apr	~950	~650	09 Apr	~950	~950	10 Apr	~950	~950	11 Apr	~950	~950	12 Apr	~850	~900	13 Apr	~950	~950	14 Apr	~950	~950	Date	N-1-G Margin (MW)	28 Apr	~1300	05 May	~1000	12 May	~1100	19 May	~1200	26 May	~1200	02 Jun	~1100	09 Jun	~900
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CAN for a NZGB forecast shortfall 29 April (issued Thursday 18 April)

On 18 April Transpower issued a Customer Advice Notice (CAN) alerting the industry to a potential electricity supply shortfall (of 20MW) on Monday 29 April.

NZGB balances are less detailed forecasts as they relate to 7 days (and further) ahead. The CAN is not a cause for concern – this is the standard process that Transpower uses in such situations to call for industry to move outages where possible and to avoid scheduling further outages on these days. This is the outage planning process working as intended and CANs are usually sufficient to resolve these types of situations.

Transpower does not anticipate any impact on consumers’ electricity supply but we will let your office (and MBIE) know if the potential shortfall is still showing when we get within seven days of any of these dates. Within seven days, we monitor potential shortfalls through the market schedules, which provide a more accurate picture of load forecasts, generation offers and demand bids than the NZGB balances.

ENERGY (HYDRO) STORAGE (for the week to 16 April)

Last week national hydro storage increased to 100% of average for this time of year (so exactly at the historic mean level), up from 83% the week prior. South Island storage increased to 98%, up from 80%, while North Island storage dropped from 128% to 126%.

Major Lake	Owner	Storage as at 16 April 2024 (% full)	Percentage change from week 9 April
Pukaki	Meridian	80.1%	+12.7%
Manapouri	Meridian	86.1%	+42.2
Tekapo	Genesis	65.6%	+18.5%
Hawea	Contact	74.5%	+10.7%
Taupo	Mercury	49.3%	1.4%

Source: Enerlytica

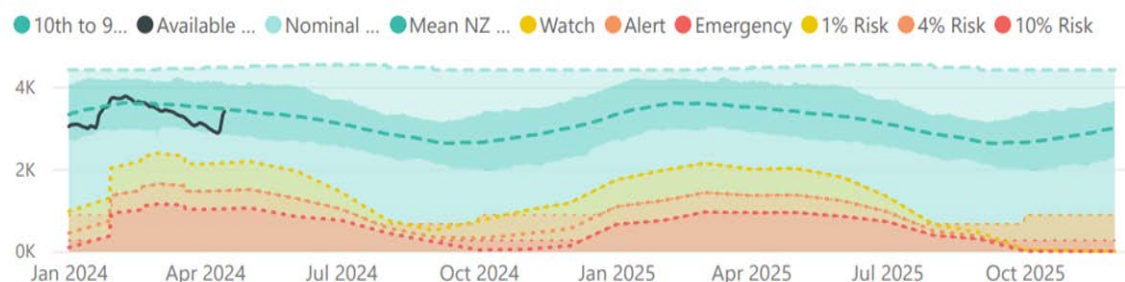
ELECTRICITY SUPPLY RISK (at 14 April)

Energy risk as measured by hydro storage levels relative to the energy risk curves.



New Zealand controlled energy storage is average for this time of year:

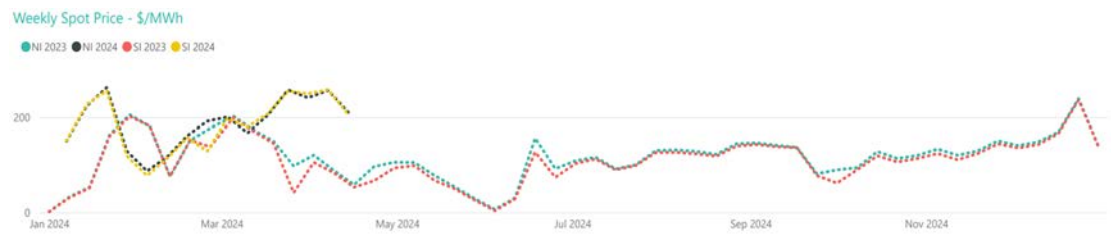
New Zealand Energy Risk Status Curves (Available GWh)



Source: System Operator, Market Operations - Weekly Market Movements

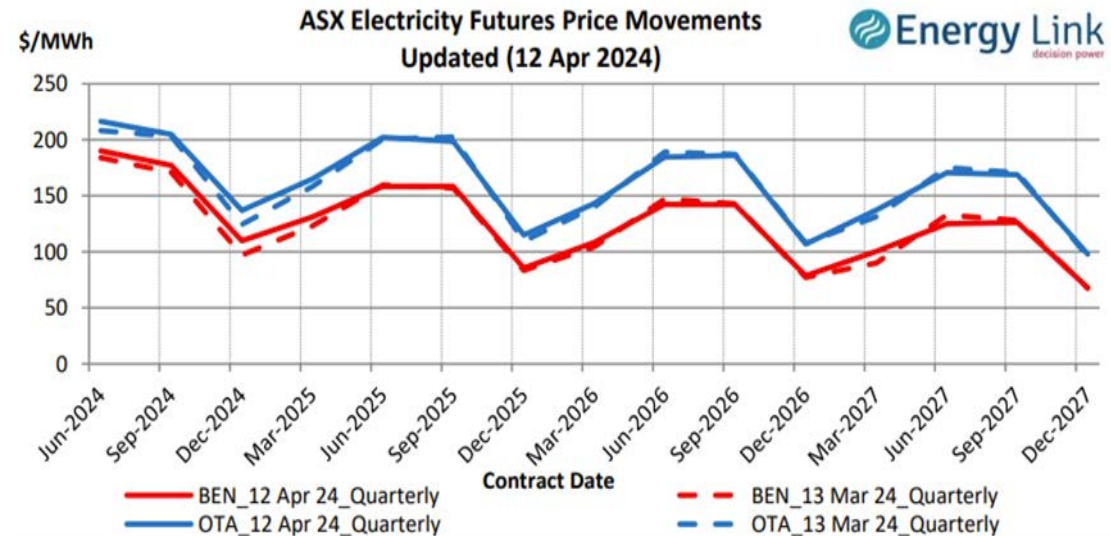
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 14 April)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 12 April 2024)



Source: Energy Link, Energy Trendz Weekly

Fuel Markets

Dominic Kebbell

Privacy of Natural persons



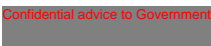



The Commerce Commission plans to release three separate reports at the end of this month (April). One of these reports is the Commission’s regular ‘quarterly fuel market monitoring’ report, while the other two are bespoke reports on fuel retail pricing: one will present the Commission’s findings on how much cost differences faced by fuel companies (transportation costs, cost of land, etc.) contribute to retail price variation; another will analyse the impact of the entry of unstaffed fuel sites on local competition and fuel prices. We are advised that a key message of these reports will be that retail price variation within and between towns/cities is better explained by differences in the intensity of competition than by cost differences. In particular, the Commission’s reports will note the presence of unstaffed fuel sites as having a detectable impact. We expect that these reports will garner media attention. When MBIE receives early/embargoed copies of these reports, we will provide you with further details.

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Monday 22 April 2024 11:30 am – 12:00 pm	HE Iona Thomas OBE, British High Commissioner to New Zealand	Briefing Due: (Transport Lead) Officials required: Peter Bartlett
Tuesday 23 April 2024 8:30 am – 9:00 am	CEO Andy Knight and Chair Rt Hon Jim Bolger, Gas Industry Company (GIC)	Briefing Due: 19 April 2024 Officials required: Justine Cannon, Dominic Kebbell
Tuesday 23 April 2024 3:00 pm – 3:15 pm	Catherine Clennett Chair, Andrew Clennett CEO and Ryan McDonald, Hiringa	Briefing Due: 19 April 2024 Officials required: Justine Cannon
Tuesday 23 April 2024 3:15 pm – 4:30 pm	Open network ribbon-cutting, Hydrogen production and refuelling station, Hiringa Energy, Wiri	Speech due 16 April 2024 Briefing Due: 19 April 2024 Officials required: Justine Cannon

2. Upcoming Briefings and Aides Memoire to Minister for Energy

Due date	Product	Sign out Manager
w/c 22 April	Briefing Progressing a Consumer Data Right for the Electricity Sector	Scott Russell
w/c 22 April	Briefing Low Fixed Charge regulations' phase-out – Proposed scope for mid-point review	Tamara Linnhoff
		
w/c 29 April	Briefing Further advice on the draft Fuel Industry (Fuel Resilience) Amendment regulations.	Dominic Kebbell
w/c 29 April	Briefing Auckland Airport jet fuel resilience	Dominic Kebbell
Timing TBC	Briefing Approach to long-term gas flexibility workstream	Dominic Kebbell
		
Timing TBC	Briefing Advice on competition issues in wholesale and retail electricity markets	Tamara Linnhoff

Due date	Product	Sign out Manager
Confidential advice to Government [REDACTED]	[REDACTED]	[REDACTED]
Timing TBC	Briefing Advice on potential measures to enable distributed energy resources and a smarter electricity system	Peter Bartlett

3. Written Parliamentary Questions

None this week.

4. Upcoming Cabinet papers

Committee	Due date to Minister	Title of Paper	Comment or Purpose
Confidential advice to Government [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Confidential advice to Government [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
ECO	Updated paper will be provided 19 April 2024	Cabinet paper: Hazardous Trees policy	To seek Cabinet agreement to changes to Hazardous Tree policy
Confidential advice to Government [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

5. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
22/04/24	SB24-318	Privacy of natural persons [REDACTED]	Research into using Lake Onslow in Otago as an eternal battery
23/04/24	SB24-325	Privacy of natural persons [REDACTED]	Mercury Energy price rise
23/04/24	SB24-326	Privacy of natural persons [REDACTED]	Government began a phase out of low fixed charge tariff regulations.
24/04/24	SB24-327	Privacy of natural persons [REDACTED]	The cancellation of the Lake Onslow Power Storage project
24/04/24	SB24-329	Privacy of natural persons [REDACTED]	Wind farms to make a difference for climate change
26/04/24	SB24-322	Privacy of natural persons [REDACTED]	Lithium batteries and EV Vehicles
26/04/24	SB24-332	Privacy of natural persons [REDACTED]	Comments on the Energy Price Review

26/04/24	SB24-333	Privacy of natural persons	Electricity Tower availability
29/04/24	SB24-339	Privacy of natural persons	Solar generation

6. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
24/04/24	OIA24-178	Privacy of natural persons	All available party manifestos about energy policy transition from 2000	Scoping	Sharon Corbett

7. Departmental Official Information Act Requests

None this week.

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing:	29/04/2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2324-2716

Recipient	Action sought
HON SIMEON BROWN MINISTER FOR ENERGY	Note the contents of this report

Sharon Corbett
Policy Director
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

26 April 2024

Minister's comments:

**Energy Portfolio
Officials' Meeting Agenda
4.30 pm – 5.30 pm Monday, 29 April 2024**

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Appointments	Michael Bird Paul Metcalf	Briefing 2324-2578	Discussion
2.	Consumer Data Right	Scott Russell	Briefing 2324-2977	Discussion
3.	Mid-point review of the phase-out of the Low Fixed Charge Regulations	Tamara Linnhoff John McCabe	Briefing 2324-2818	Discussion
4.	Energy Priorities Cabinet Paper	Sharon Corbett	Initial draft Cabinet Paper	Discussion
5.	Weekly Report & Work Programme	Minister	Oral	Discussion
6.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Michael Bird	General Manager, Entity Performance and Investment
Sharon Corbett	Policy Director, Energy Markets
Susan Hall	Policy Director, Energy Markets
Peter Bartlett	Director, Sector Engagement
Daniel Brown	Manager, Electrify NZ
Dominic Kebbell	Manager, Gas and Fuel Supply Policy
Tamara Linnhoff	Manager, Electricity Generation, Infrastructure and Markets Policy
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
Scott Russell	Manager, Energy Use Policy
Paul Metcalf	Manager, Appointments and Governance
John McCabe	Team Leader, Electricity Generation, Infrastructure and Markets Policy

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>Network Regulation and new connections: Work continues across the Authority and Commerce Commission. The Commission expects to launch consultation on proposed revenue resets for regulated distributors and Transpower around 30 May, and the Authority expects to publish a position paper on new connection charges during May 2024.</p>
<p>New permitting regime for offshore renewable energy</p> <p>Melanee Beatson <small>Privacy of natural persons</small></p>	<p>We have provided your office with options to communicate the indicative timelines for the regime. Any communications will be clear that the regime and timelines are subject to Cabinet consideration.</p> <p>Confidential advice to Government</p>
<p>Fast-Track Consenting Regime</p> <p>Susan Hall <small>Privacy of natural persons</small></p>	<p>MBIE is supporting the Ministry for the Environment through the Select Committee process. The window for making written submissions has closed, with the Environment Committee receiving around 27,000 submissions.</p> <p>The independent Fast Track Advisory Group has held an initial meeting, and will meet again on 10 May. Applications to the Group for inclusion in the Schedules to the Bill close on 3 May.</p>
<p>Hazards from Trees Regulations</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>In parallel with the current Ministerial consultation on the draft Cabinet Paper, we are consulting with other agencies. The Regulatory Impact Analysis panel has confirmed the RIS 'meets' the RIS criteria and this will be included in the final Cabinet Paper, which we anticipate lodging on 2 May 2024.</p>
<p>Mid-point review of the Low Fixed Charge regulations</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>We have provided you with a briefing [2324-2818] advising on the potential scope for the mid-point review of the phase-out of Low Fixed Charges (LFC) regulations.</p> <p>We are seeking your approval to the scope of the review and recommend that you announce the mid-point review when you speak at the ERANZ/ENA stakeholder event on 30 April 2024.</p>
<p>Supercharging EV Infrastructure</p> <p>Peter Bartlett <small>Privacy of natural persons</small></p>	<p>Following our meeting with you last week, we will work with EECA, MoT and Crown Infrastructure Partners on the high level elements of the cost benefit analysis approach for testing with your office. We are also continuing to stand up the cross-agency task force to progress this work.</p> <p>We also continue cross-agency engagements with charge point providers on barriers to charger delivery. This week we will meet with both Jolt and Drive Electric (including on network connections costs and process issues being looked at under Electrify NZ).</p>

**Consumer Data
Right**

Scott Russell

Privacy of natural persons

The Electricity Authority (EA) released the “Improving retail market monitoring consultation paper” in December 2023 which proposed to streamline the collection of retail data through a single data request. Submissions were recently published, and media are reporting the feedback received, including that major retailers raised concerns the retail data collection proposed could exceed the EA’s statutory objectives and infringe on customer privacy.

Although the EA’s retail data project is aimed at improving monitoring, and its focus is therefore on provision of data by retailers to the EA, there are synergies with your work to explore a consumer data right (CDR) for the electricity sector.

We have provided you and Minister Bayly with a briefing on progressing a CDR for the electricity sector. It includes commentary on how a CDR can mitigate the sorts of issues raised by some retailers. The Authority considers that a CDR could vastly improve the data environment of retail electricity markets.

Stakeholder Updates

Title	Comment
<p data-bbox="108 248 341 338">Electricity Authority four-monthly report to 29 Feb 2024</p> <p data-bbox="108 360 268 421">Jacqui Bassett <small>Privacy of natural persons</small></p>	<p data-bbox="368 248 1410 349">The Electricity Authority (the Authority) has provided you with its second four-monthly report for the 2023/24 financial year. This covers the period 1 November 2023 to 29 February 2024.</p> <p data-bbox="368 371 951 405">Key points to highlight from our assessment are:</p> <ul data-bbox="416 427 1481 1827" style="list-style-type: none"> <li data-bbox="416 427 1481 629">• The Authority made satisfactory progress on its security and resilience work programme. In 2023, the Authority implemented four options to help manage peak electricity demand. During the period, the Authority decided to make three of those options permanent. It also released a consultation paper seeking feedback on the future challenges and opportunities for the operation of New Zealand’s power system. <li data-bbox="416 651 1481 752">• The Authority published the Market Development Advisory Group’s final report on how the wholesale market may operate with higher renewable generation. The Authority is incorporating the report’s recommendations into its work programme. <li data-bbox="416 775 1481 909">• The Authority has signalled that it may not achieve one of its output measures for the year, being <i>‘100% of investigations are decided within 12 months’</i>. There are two cases that may exceed the 12-month target. We are engaging with the Authority on this matter. <li data-bbox="416 931 1481 1066">• Overall, staff turnover is trending down. However, there are still areas that have experienced high turnover, for example, in the Finance and Accountability team. This area also has a relatively new General Manager. The General Manager has recently recruited new staff, but it will take time for them to get up to speed. <li data-bbox="416 1088 1481 1379">• The Authority’s expenditure for the eight months to 29 February 2024 of \$66.8 million was tracking slightly above its budget for the period of \$66.5 million. Personnel costs and other expenses were both over budget by \$0.6 million and \$0.5 million, respectively. Partly offsetting this was lower than budgeted depreciation and amortisation expenses of \$0.8 million, due to a deferral of capital expenditure. The Authority has provided assurance that it is tightly managing its expenditure and will be within its appropriations for the full year ending 30 June 2024. <li data-bbox="416 1402 1481 1536">• We have raised a number of queries with the Authority in relation to its financial reporting and are currently working with the Authority to further understand the implications of any amendments that will be required. We will provide you with further advice as appropriate. <li data-bbox="416 1559 1481 1693">• The Authority identified the use of consultants and contractors as an area where it can reduce expenditure. It forecasts that by the end of the fiscal year, its expenditure on consultants and contractors will be 34% lower than the previous fiscal year. <li data-bbox="416 1715 1481 1827">• As is its normal practice, the Authority plans to publish its four-monthly report, and progress report against its Annual Corporate Plan, on its website. Historically, these reports have generated minimal media attention.

Genesis' quarterly report comments on tight gas markets and need for coal

Tamara Linnhoff


Privacy of natural persons

Genesis' quarterly report stated that "although gas is half the emissions of coal, tight gas markets may push electricity generation back to needing some coal to back up intermittent renewable generation, major generation plant outages and growing winter peaks."

The Electricity Authority recently indicated to MBIE and the Council of Energy Regulators (18th April) that at the recent rate of consumption, Genesis' stockpile of coal would last through winter 2025. Market commentary by Enerlytica (23 April) interprets Genesis' statement as priming the market for a possible, if not probable, return to Genesis purchasing coal to replenish its stockpile.

Genesis' position on how quickly and at what scale they can secure biomass as a replacement fuel has varied between recent meetings. MBIE will continue engaging with Genesis and the bioenergy industry to understand how their supply plans are progressing.

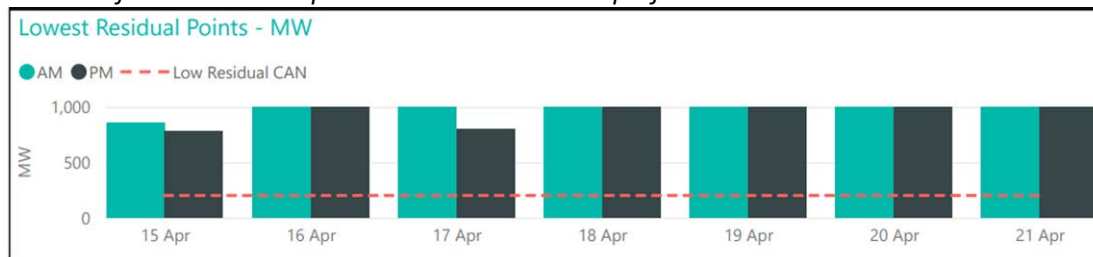
Title	Comment
<p>Gas security of supply</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>Update on gas flexibility work program</p> <p>New Zealand does not import or export natural gas so supply must match demand to avoid imbalances. Doing this is challenging because we have limited flexibility in the sector to manage imbalances. Most of the gas in the existing storage facility Ahuroa is already contracted for use and gas producers cannot easily ramp up supply of gas in response to additional demand – it takes years to produce new gas supply and changes to the wells can lead to a drop in production.</p> <p>This issue has traditionally been managed through demand response, primarily through Methanex agreeing to divert its contracted gas to other gas users to balance demand with supply. However, balancing supply and demand is likely to be more difficult in the future:</p> <ul style="list-style-type: none"> • The electricity sector’s gas demand is expected to be more variable as generators build more renewable electricity generation and need gas for firming these intermittent sources. • Overall gas demand is expected to fall as the economy electrifies and big users shift away from gas. • Gas production has been falling over the last few years and is not projected to improve in the short term. <p>Smaller gas volumes are likely to make it harder to manage any higher-than-expected demand from the electricity sector. Large gas users like Methanex who have agreed to divert gas when supply has been more available may be less willing – or less able – to reduce their production to provide gas as the overall supply falls.</p> <p>We are investigating the extent to which key participants in the gas sector consider flexibility an issue and have plans to improve the situation. We have also asked the Gas Industry Company to report to us on what the industry is, or could be, doing to address flexibility issues. Examples of potential activities include:</p> <ul style="list-style-type: none"> • Developing new gas storage facilities to increase storage capacity. • Developing gas importation infrastructure to enable New Zealand to import liquified natural gas. • Securing enduring arrangements with major gas users to divert gas for other uses when required. <p>This work, together with our engagement with the gas sector, will inform advice to you later this year about whether there is a problem that warrants government intervention and if so, what the options might be.</p> <p>We will update you as this work progresses.</p> <p>Genesis continues to use coal due to gas supply constraints</p> <p>As noted in the stakeholder update above, Genesis has highlighted the role coal continues to play in ensuring electricity security of supply during a period of gas market uncertainty.</p> <p>Genesis chief executive Malcom Johns has commented that “New Zealand’s gas production has declined faster than forecast across the market”. Genesis owns 49 per cent of the offshore Kupe gas field and has first rights to the venture’s gas. In January, operator Beach Energy said the KS-9 well drilled late last year was not performing to expectations. Genesis has reported that "well intervention activities have been further delayed, in part due to unfavourable weather conditions, and completion is now expected late May 2024”.</p>

<p>International Energy Agency Emergency Exercise</p> <p>Mark Pickup <small>Privacy of natural persons</small></p>	<p><i>This update is provided for your information, noting primary responsibility for fuel security is delegated to the Associate Minister for Energy.</i></p> <p>Periodically the International Energy Agency (IEA) conducts emergency exercises for member states to practise their response to a global petroleum supply shortfall. The IEA has just commenced a practise exercise that postulates the following scenario:</p> <p><i>“The Iraqi Ministry of Oil this morning confirmed that the pipeline system that normally delivers all of Iraq’s crude oil exports to market is currently non-operational as a result of a cyber-attack. Preliminary reports suggest that global oil markets should prepare for a significant loss of supply. “</i></p> <p>Over the coming weeks MBIE will take part in this exercise. We will inform you of its outcome. Should the exercise simulate the need for the New Zealand government to consider the release of oil stocks that we hold overseas through oil tickets, we will notify you at the time of this hypothetical request.</p> <p>The protocol established by Cabinet when New Zealand was requested to release oil stocks to the market during the initial stage of the Ukraine-Russia conflict was that the then Minister of Energy and Resources (now the Associate Minister for Energy) would seek delegation of Cabinet to release oil tickets to the market when the IEA Ministers made a collective decision to do so, as this decision making can happen within a very short time frame.</p>
<p>s 18(d)</p>	
<p>Report of the Government Inquiry into the Response to the North Island Severe Weather Events</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>An inquiry into the extreme weather events of early 2023 was established in July 2023. Its report, released on 23 April 2024, includes one recommendation relevant to the energy portfolio – to strengthen the Electricity (Hazards from Trees) Regulations 2003 to improve the resilience of the electricity network.</p> <p>This recommendation follows a finding that trees falling on power lines were the main causes of outages on distribution networks. You have work underway to strengthen those regulations.</p>

ELECTRICITY CAPACITY (for the week to 21 April 2024)

Capacity margins remained healthy last week, despite reduced thermal unit commitment following the increase in hydro storage levels. The lowest residual point of 779 MW was on Monday evening.

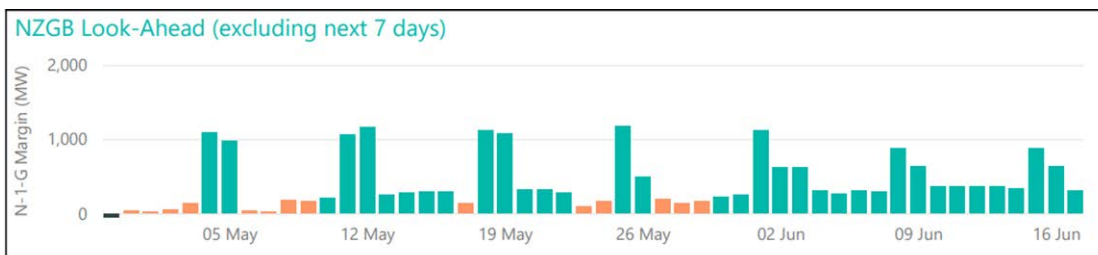
Residuals for week to 21 April 2024 were above the preferred 200MW threshold.



Source: System Operator, Market Operations - Weekly Market Movements

Transpower publish forecast balances: (of expected supply – generation and transmission capacity; and expected demand) to signal to industry participants. A week-ahead tight balance is a signal primarily for generators to offer in additional generation or large-scale demand response.

A customer advice notice (CAN) has been issued for a potential negative generation balance on Monday 29 April. The N-1-G margin when the CAN was issued was -20 MW and has since fallen to -54 MW. There are other days throughout May with low but positive N-1-G margins (less than 200 MW). Generators have been asked to consider rescheduling outages to avoid these days and avoid scheduling any further outages that may reduce generation margins.



Source: System Operator, Market Operations - Weekly Market Movements

ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 21 April)

There was very little change in hydro storage levels last week and they remain at average levels after the large increase the week prior. National hydro storage increased slightly to 102% of the historic mean, up from 100% the week prior. South Island storage increased to 100%, up from 98%, while North Island storage increased from 126% to 127%.

ENERGY (HYDRO) STORAGE LEVEL BY MAJOR LAKE

Major Lake	Owner	Storage on 23 April 2024 (% full)	Storage on 16 April 2024 (% full)	Percentage change
Pukaki	Meridian	81.2	79.6	+1.6
Manapouri	Meridian	80.6	86.1	- 5.5
Tekapo	Genesis	64.4	65.4	- 1.0
Hawea	Contact	75.3	74.3	+1.0
Taupo	Mercury	48.6	49.3	- 0.7

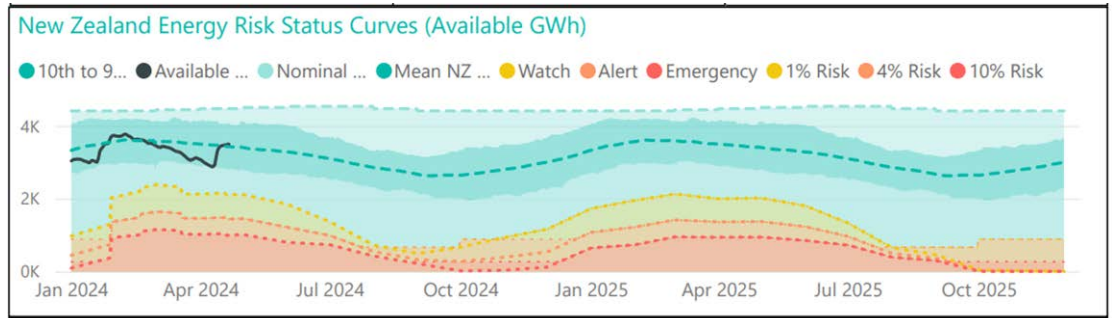
Source: Enerlytica

ELECTRICITY SUPPLY RISK (at 21 April)

Energy risk as measured by hydro storage levels relative to the energy risk curves.



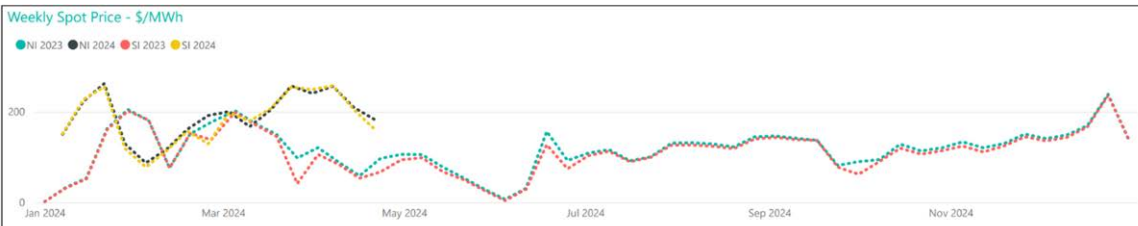
New Zealand controlled energy storage is average for this time of year:



Source: System Operator, Market Operations - Weekly Market Movements

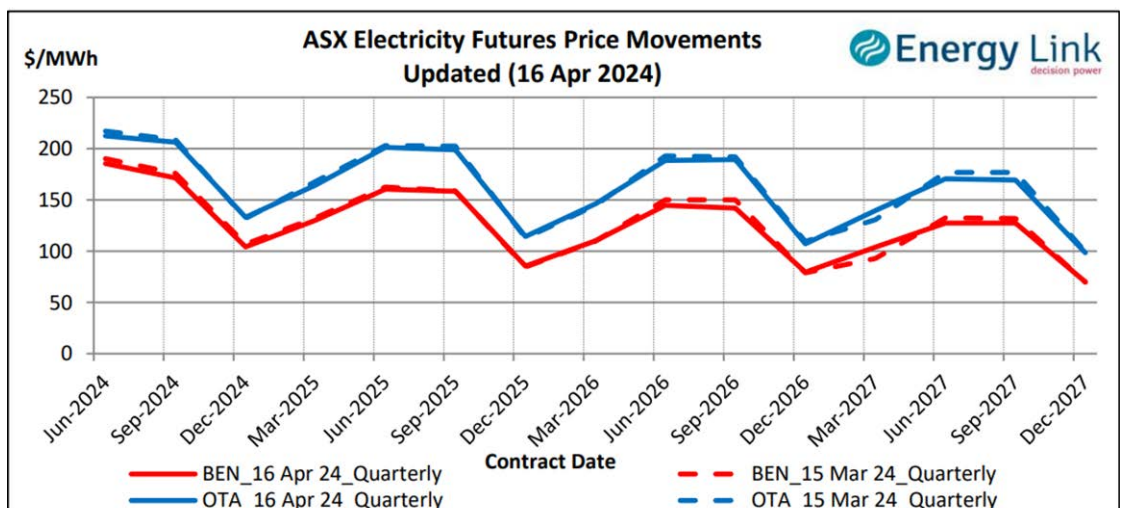
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 21 April 2024)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 16 April 2024)



Source: Energy Link, Energy Trendz Weekly

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Tuesday 30 April 2024 3:20 pm – 3:40 pm	Meeting with Jonathan Young, Ara Ake	Briefing due: 29 April 2024 Officials required: Peter Bartlett
Tuesday 30 April 2024 4:00 pm – 5:30 pm	Electricity Networks Aotearoa (ENA) and Electricity Retailers' Association of New Zealand (ERANZ) Networking Event	Speech Due: 23 April 2024 Briefing due: 26 April 2024 Officials required: Justine Cannon
Tuesday 30 April 2024 6:00 pm – 8:00 pm	Dinner with Channel Infrastructure NZ Board	Briefing due: 26 April 2024 Officials required: N/A
Thursday 1 May 2024 10:30 am – 11:00 am	Meeting with Jo Townsend (new) CEO, NZ Super Fund	Briefing due: 30 April 2024 (Transport Lead) Officials required: Justine Cannon, Melanee Beatson

2. Upcoming Briefings and Aides Memoire to Minister for Energy

Due date	Product	Sign out Manager
w/c 29 April 2024	Briefing Further advice on the draft Fuel Industry (Fuel Resilience) Amendment regulations.	Dominic Kebbell
w/c 29 April 2024	Briefing Auckland Airport jet fuel resilience	Dominic Kebbell
6 May 2024	A3/slides Advice on competition issues in wholesale and retail electricity markets	Tamara Linnhoff
w/c 13 May 2024	Briefing Hydrogen Roadmap – proposed content and next steps	Melanee Beatson
w/c 20 May 2024	Briefing Offshore renewable energy – offences and penalties	Melanee Beatson
w/c 27 May 2024	Briefing Discussion on potential measures to enable distributed energy resources and a smarter electricity system	Peter Bartlett
s 9(2)(f)(iv)	s 9(2)(f)(iv)	
Confidential advice to Government		

Due date	Product	Sign out Manager
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

3. Written Parliamentary Questions

None this week.

4. Upcoming Cabinet papers

Committee	Due date to Minister	Title of Paper	Comment or Purpose
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]	[Redacted]
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]	[Redacted]
ECO	Paper undergoing Ministerial consultation until 30 April 2024	Cabinet paper: Amendments to Tree Regulations	To seek Cabinet agreement to changes to the Tree Regulations
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]	[Redacted]
Confidential advice to Government [Redacted]	[Redacted]	[Redacted]	[Redacted]

5. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
29/04/24	SB24-340	Privacy of natural persons [Redacted]	Electrifying the fleet
29/04/24	SB24-339	[Redacted]	Solar generation
30/04/24	SB24-357	[Redacted]	Erroneous data in powerswitch
2/05/24	SB424-346	[Redacted]	Proposal for Secure Energy - enhance New Zealand's energy security

3/05/24	SB24-352	Privacy of natural persons	Suggestions to assist developers in Auckland
3/05/24	SB24-462		Request for Review and Consideration Regarding Mineral Permit Revocation

6. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
7/05/24	OIA24-77	Privacy of natural persons	Correspondence from the Chief Ombudsman since October 14 2023	Scoping	TBA
8/05/24	OIA24-179		Briefings received by the Minister of Energy between March 1 - 31 2024	Gathering Information	Tamara Linnhoff

7. Departmental Official Information Act Requests

None this week

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government