

2 November 2023

Consultation: Advancing New Zealand's energy transition
Energy and Resource Markets
Building, Resources and Markets
Ministry of Business, Innovation and Employment (**MBIE**)
PO Box 1473
Wellington 6140
New Zealand

By email: energystrategy@mbie.govt.nz

CONSULTATIONS – ADVANCING NEW ZEALAND'S ENERGY TRANSITION

INTRODUCTION

1. This letter is sent to you on behalf of Te Whakakitenga o Waikato Incorporated (formerly known as Waikato-Tainui Te Kauhanganui Incorporated) in response to the five discussion documents released by MBIE for consultation on advancing New Zealand's energy transition, entitled:
 - (a) Gas Transition Plan issues paper
 - (b) Developing a Regulatory Framework for Offshore Renewable Energy
 - (c) Interim Hydrogen Roadmap
 - (d) Measures for transition to an expanded and highly renewable electricity system
 - (e) Implementing a ban on new fossil-fuel baseload electricity generation
2. Te Whakakitenga o Waikato Incorporated (**Waikato-Tainui**) is the governing body for the 33 hapuu and 68 marae of Waikato and manages the tribal assets for the benefit of over 80,000 registered tribal members. It is also:
 - (a) the trustee of the Waikato Raupatu Lands Trust, the post-settlement governance entity for Waikato-Tainui for the purposes of the Waikato Raupatu Lands Deed of Settlement 1995 and the Waikato Raupatu Claims Settlement Act 1995;
 - (b) the trustee of the Waikato Raupatu River Trust, the post-settlement governance entity for Waikato-Tainui for the purposes of the Waikato-Tainui River Deed of Settlement 2009 and the Waikato Raupatu Claims (Waikato River) Settlement Act 2010;
 - (c) the mandated iwi organisation for Waikato-Tainui for the purposes of the Maaori Fisheries Act 2004; and
 - (d) the iwi aquaculture organisation for Waikato-Tainui for the purposes of the Maaori Commercial Aquaculture Claims Settlement Act 2004.
3. Waikato-Tainui has a range of rights and interests that are highly relevant to the energy transition. This submission is on behalf and for the benefit of our 33 hapuu, 68 marae and more than 80,000 iwi members.

4. For clarity, please note that this submission does not comprise an exhaustive statement of all the issues of concern to Waikato-Tainui in relation to the energy transition and development of the energy strategy for Aotearoa. The responses provided in this letter are from a high-level perspective and additional matters may form part of our discussions during direct engagement with the Crown.

BACKGROUND TO WAIKATO-TAINUI

5. Waikato-Tainui marae are kaitiaki of our environment and regard the holistic integrated management of all elements of the environment (including flora, fauna, land, air and water) with utmost importance.
6. Waikato-Tainui are tangata whenua and exercise mana whakahaere within our rohe (tribal region). Our tribal rohe is bounded by Auckland in the north and Te Rohe Pootae (King Country) in the south and extends from the west coast to the mountain ranges of Hapuakohe and Kaimai in the east. Significant landmarks within the rohe of Waikato include the Waikato and Waipaa Rivers, the sacred mountains of Taupiri, Karioi, Pirongia and Maungatautari, and the west coast harbours of Whaingaroa (Raglan), Manukau, Aotea and Kaawhia moana, the eastern areas of Tikapa Moana (Firth of Thames).
7. We acknowledge and affirm the intrinsic relationship of Waikato-Tainui with our natural environment, which carries with it both rights and responsibilities as a matter of tikanga and kawa.
8. Running through the heart of our tribal rohe, and reflected in our iwi's name, is Te Awa o Waikato, New Zealand's longest river. In 2008 Waikato-Tainui entered into a Deed of Settlement regarding our historical Waikato River claim under Te Tiriti o Waitangi, which was subsequently reviewed, and an amended Deed signed in 2009 (the River Settlement). The River Settlement was given legal effect through the enactment of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 (the River Settlement Act). The River Settlement marked the genesis of the Crown's statutory recognition of Te Mana o te Awa and the establishment of a co-governance and co-management approach between Waikato-Tainui and the Crown regarding matters relating to the Waikato River centred on Te Ture Whaimana.

COMMENTS ON THE ENERGY TRANSITION CONSULTATIONS

9. Waikato-Tainui is supportive of reducing greenhouse gas emissions and a more sustainable future for Aotearoa.
10. Waikato-Tainui agrees that the transition from fossil fuels to renewable energy sources must be carefully managed. The energy strategy needs to clearly articulate the outcomes for the transition period itself which must ensure that energy in Aotearoa is reliable and affordable. Energy security and energy equity is vitally important to the health and wellbeing of our hapū, whanau and wider communities.
11. The matters addressed in the five MBIE consultation discussion documents for advancing New Zealand's energy transition must also be considered as a key part and building block of our wider system that has strong influence as enabler for social and economic outcomes, including housing and transport (including electrification of the fleet).
12. Waikato-Tainui acknowledges the critical role that thermal generation currently plays in our electricity system and the importance of ensuring that thermal generation assets, including at Huntly, remain available to the extent that they are required to provide energy security during the transition and while back-up capacity is still needed. Fossil gas in the electricity generation market will be required to continue to play an important peaking and firming role until such time as alternative options are viable and available.

13. Having said that, in addition to the emissions, thermal electricity generation tends to be more expensive and often sets the marginal price. The Government should enable and incentivise an accelerated build-out of lower-cost renewable generation (and storage if required and viable) such that thermal generation is required less for back-up supply.
14. Market mechanisms that would incentivise investment and bring forward new renewable generation and storage projects should be incorporated into the energy strategy. Whilst we acknowledge MBIE's concern that it would not be optimal if such mechanisms simply supported generation that would have been brought to market anyway, government support may be imperative for emerging technologies and/or large-scale projects. Waiting to see whether the market will provide these projects without incentives may also have adverse effects from a time perspective.
15. Waikato-Tainui supports the implementation of a regulatory regime that will enable investment in offshore electricity generation. The regime must appropriately protect air, lands and waters in balance with enabling development.
16. As Treaty partners, Waikato-Tainui expects direct engagement with the Crown in relation to the design of the offshore renewables legislative framework (separately to this submission process) and for iwi and hapū to have an effective role in the operation of the permitting system. We agree that it will be essential for developers to engage with iwi and hapū but consider that developer engagement alone at the initial strategic end of the system would be insufficient. Engagement by developers must be additional to the role of iwi and hapū as a partner in the decision-making processes, and that role needs to commence at the early stages of the system. Furthermore, our view is that the permitting regime should allow for economic benefits to flow to iwi and hapū (whether that is in the form of revenue gathering or an alternative structure). Iwi and hapū will need to be appropriately and adequately resourced to carry out their functions in the system. The work that iwi and hapū carry out in relation to the permitting system, throughout all stages including feasibility, must be funded.

CONCLUSION

17. MBIE says that it has more work to do to listen to iwi, hapū and Māori to understand their interests and perspectives on the transition. Waikato-Tainui looks forward to direct and meaningful engagement with the Crown in relation to the energy transition, strategy, and design of legislative frameworks.
18. For further discussion regarding this submission, please contact:

Ngaa mihi

Copies to: *gastransition@mbie.govt.nz; hydrogen@mbie.govt.nz; offshore renewables@mbie.govt.nz; electricitymarkets@mbie.govt.nz*

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