

#### 16 November 2023

Energy Resources Markets Branch Ministry of Business, Innovation and Employment 15 Stout Street PO Box 1473 Wellington 6140

Via email/attention: <u>offshorerenewables@mbie.govt.nz</u> - Offshore Renewable Energy Submissions.

<u>gastransition@mbie.govt.nz</u> - Gas Transition Plan Submissions. <u>hydrogen@mbie.govt.nz</u> - Interim Hydrogen Roadmap Submissions. <u>electricitymarkets@mbie.govt.nz</u> - Implementing a ban on new fossil-fuel

baseload electricity generation.

<u>electricitymarkets@mbie.govt.nz</u> - Measures for Transition to an Expanded and

Highly Renewable Electricity System.

RE: NGĀ IWI O TARANAKI, TE RŪNANGA O NGĀTI RUANUI, TE KAAHUI O RAURU, TE KOROWAI O NGĀTI RUAHINE, TE KĀHUI O TARANAKI TRUST, TE KOTAHITANGA O TE ATIAWA TRUST, TE RŪNANGA O NGĀTI MUTUNGA, TE RUNANGA O NGĀTI TAMA AND TE KĀHUI MARU RESPONSE TO THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT'S ENERGY TRANSITION CONSULTATION DOCUMENTS.

On behalf of Ngā Iwi o Taranaki (operating as Te Tōpuni Ngarahu), Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru please accept this response to the Ministry of Business, Innovation and Employment's energy transition consultation documents, including:

- a. Developing a Regulatory Framework for Offshore Renewable Energy (Second Discussion Document),
- b. The Gas Transition Plan Issues Paper,
- c. The Interim Hydrogen Roadmap,
- d. Implementing a ban on new fossil-fuel baseload electricity generation, and
- e. Measures for Transition to an Expanded and Highly Renewable Electricity System.

Group	Contact
Ngā Iwi o Taranaki	
Te Rūnanga o Ngāti Ruanui	

Te Kaahui o Rauru
Te Korowai o Ngāruahine Trust
Te Kāhui o Taranaki Trust
Te Kotahitanga o Te Atiawa Trust
Te Rūnanga o Ngāti Mutunga
Te Runanga o Ngāti Tama
Te Rūnanga o Ngāti Maru





NGĀ IWI O TARANAKI, TE RŪNANGA O NGĀTI RUANUI, TE KAAHUI O RAURU, TE KOROWAI O NGĀ RUAHINE, TE KĀHUI O TARANAKI TRUST, TE KOTAHITANGA O TE ATIAWA TRUST, TE RŪNANGA O NGĀTI MUTUNGA, TE RUNANGA O NGĀTI TAMA AND TE KĀHUI MARU.

RESPONSE TO THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT'S ENERGY TRANSITION CONSULTATION DOCUMENTS

**DATED: 16 NOVEMBER 2023** 



#### **INTRODUCTION**

- 1. This response is made by Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru. Please accept this response to the Ministry of Business, Innovation and Employment's energy transition consultation documents, including:
  - a. Developing a Regulatory Framework for Offshore Renewable Energy (Second Discussion Document)<sup>1</sup>,
  - b. The Gas Transition Plan Issues Paper,
  - c. The Interim Hydrogen Roadmap,
  - d. Implementing a ban on new fossil-fuel baseload electricity generation, and
  - e. Measures for Transition to an Expanded and Highly Renewable Electricity System.
- 2. We note the following points in respect of preparation of this response:
  - a. Individual Post Settlement Governance Entities (PSGE) of Taranaki have legally recognised rights and interests under their respective Treaty of Waitangi settlement legislation including fisheries protocols which respond to the Fisheries Act 1996, the Māori Commercial Aquaculture Claims Settlement Act 2004, the Māori Fisheries Act 2004, and the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.
  - b. That the legally recognised rights and interests set out in (a) do not constitute the full rights, interests and obligations of tangata whenua with respect to this emerging industry and the geographic areas these activities seek to establish within. We note that hapū rangatiratanga and kaitiakitanga are the longest running existing rights, interests and obligations to be provided for through the development of legislation/regulation for offshore renewable energy.
  - c. Individual PSGEs with the support of their hapū and individual hapū have current applications for claim under the Marine and Coastal Area (Takutai Moana) Act 2011 for Customary Marine Title and Protected Customary Rights out to 200 nautical miles.
  - d. This response does not preclude the submissions of individual PSGEs and hapū. Where there is any disagreement between this submission and those of hapū, the submissions of the hapū prevail within their particular area of interest.
- 3. We note the following points in respect of preparation of this response:
  - a. Our response is made in full support of submissions made by individual PSGEs of Taranaki.
  - b. Our response has been informed by PSGEs of Taranaki.
- 4. This response covers:
  - a. Responses to the Resource Management reforms in relation to energy transition to a low emission economy.
  - b. Response to Enabling Investment in Offshore Renewable Energy Discussion Document.

<sup>&</sup>lt;sup>1</sup> <u>Developing a Regulatory Framework for Offshore Renewable Energy: Second Discussion Document August 2023</u> (mbie.govt.nz)

- c. Response to Strengthening National Direction on Renewable Electricity.
- d. Response to Developing a Regulatory Framework for Offshore Renewable Energy including:
  - i. Existing Māori rights and interests offshore
  - ii. Permitting process
  - iii. Iwi and hapū participation in permit decision-making
  - iv. Economic mechanisms and opportunities for Māori
  - v. Environmental data standardisation, collection and collaboration.
  - vi. Iwi and hapū participation in environmental consenting decision-making.
  - vii. Opportunities for joint connection infrastructure.
  - viii. Port infrastructure.
  - ix. Decommissioning.
  - x. Decision-making within the regime.
  - xi. Transfer and change of control scenario.
  - xii. The case for safety zones.
- e. Response to the Gas Transition Plan Issues Paper.
- f. Response to the Interim Hydrogen Roadmap.
- g. Response to Implementing a ban on new fossil-fuel baseload electricity generation.
- h. Response to Measures for Transition to an Expanded and Highly Renewable Electricity System.

#### NGĀ IWI O TARANAKI

- 5. Ngā Iwi o Taranaki was established in 2021 to represent specific collective interests of individual PSGEs of Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru.
- 6. It is important to reiterate that Ngā Iwi o Taranaki is not a mandated voice for the PSGEs of Taranaki and its work does not absolve the Crown and MBIE of their obligations to deal directly with each iwi and hapū relating to any statutory processes and decision-making, nor does it preclude each PSGE and hapū from making individual submissions to regulations.
- 7. The specific collective interests and current functions of Ngā lwi o Taranaki include regional recovery, shared services such as information technology support, support for Resource Management Reforms and Pūngao Whakahou/Alternative Energy to which this submission relates.
- 8. As context for our response to Developing a Regulatory Framework for Offshore Renewable Energy, the following advice was provided by Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru to other processes the Crown are running concurrent with this process. These are the Natural and Built Environment Bill Act 2023, Spatial Planning Act 2023 (and the development of local planning instruments which implement this legislation), development of National Policy Statements, and

review of existing local planning instruments under the Resource Management Act 1991, Enabling Investment in Offshore Renewable Energy and Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission. In our view all of these processes must work together to recognise and provide for the rights and interests Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru with respect to offshore renewable energy generation in Aotearoa.



## **ENERGY TRANSITION TO A LOW EMISSION ECONOMY**

9. Individual PSGEs recently responded to the resource management reforms process<sup>2</sup> in relation to energy transition in Aotearoa to a low energy economy, including the expectations for tangata whenua to participate in decision-making regarding specified infrastructure projects including, energy activities.

## 10. Responses noted that:

- a. New Zealand has committed to a low emission, climate resilient future. The Government has set into law a target for net zero greenhouse gas emissions by 2050. The Emissions Reduction Plan is one mechanism being used to focus collective efforts towards transitioning to a resilient, low emissions economy<sup>3</sup>.
- b. The Emissions Reduction Plan includes actions relating to system settings for reducing emissions, including approaches for empowering Māori, led by Māori, to uphold our rights and interests under Te Tiriti<sup>4</sup>. The plan includes details for reducing emissions in key emitting sectors, including the energy and industry sectors.
- c. One of the identified activities in the energy sector covers emissions from the combustion of fuels such as coal for electricity generation and industrial heat. The Government's 2050 vision is for Aotearoa to have a highly renewable, sustainable and efficient energy system supporting a low emissions economy:
  - Energy will be accessible and affordable and will support the wellbeing of all New Zealanders.
  - Energy supply will be secure, reliable and resilient, including in the face of global shocks
  - Energy systems will support economic development and an equitable transition to a low-emissions economy.
- d. The need for the transition in the Taranaki region, where oil and gas industries are a large part of the local economy, is well understood<sup>5</sup>. The opportunities in the region for renewable energies such as onshore and offshore wind and new energies such as hydrogen, are evolving at a rapid pace.<sup>6</sup>
- 11. Responses identified that *Clauses 315 to 327* of the National Built Environment Bill (NBE Bill) provide for the alternative consenting process for specified housing and infrastructure, wind and solar projects, as well as any renewals of consents associated with hydro-electricity generation.
- 12. Individual PSGEs stated that their expectation is that the advice and outcomes of hapū and iwi will be at the heart of energy transition in Taranaki. This is reinforced by the Emissions Reduction

<sup>&</sup>lt;sup>2</sup> Te Kotahitanga o Te Atiawa responses to the Environment Select Committee on the Natural and Built Environment Bill and Spatial Planning Bill, dated 19 February 2023, <a href="https://www.parliament.nz/resource/en-">https://www.parliament.nz/resource/en-</a>
NZ/53SCEN\_EVI\_129831\_EN15619/afb05fde71a50ec442588db17ae008fea6b978a5

<sup>&</sup>lt;sup>3</sup> Ministry of Business, Innovation and Employment ('MBIE'), Emissions Reduction Plan - <a href="https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/emissions-reduction-plan/">https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/emissions-reduction-plan/</a>

<sup>&</sup>lt;sup>4</sup> MFE, Aotearoa New Zealand's first emissions reduction plan, Chapter 2: Empowering Māori - https://environment.govt.nz/publications/aotearoa-new-zealands-first-emissions-reduction-plan/empowering-maori/

<sup>&</sup>lt;sup>5</sup> MBIE, Just Transitions for Taranaki - <a href="https://www.mbie.govt.nz/business-and-employment/economic-development/just-transition/just-transitions-for-taranaki/">https://www.mbie.govt.nz/business-and-employment/economic-development/just-transition/just-transitions-for-taranaki/</a>

<sup>&</sup>lt;sup>6</sup> Te Puna Umanga Venture Taranaki, Energy - https://www.venture.org.nz/sector-development/energy/

Plan. Submissions to the NBE Bill from PSGEs are not opposed to the use of an alternative consenting process for specified infrastructure, particularly energy activities including wind or solar energy generation. This position is tempered with the experience in Taranaki and the issues that have arisen from the implementation of the COVID-19 Recovery (Fast-Track Consenting) Act 2020 for iwi, including incomplete engagement, incorrect application of Te Tiriti o Waitangi (Te Tiriti) principles and the inability to present oral evidence in hearings, given the Environmental Protection Authority can decide to not have a hearing.

- 13. Responses stated that the expectations and outcomes of hapū and iwi with respect to these activities will require explicit definition to ensure the correct interpretation of the proposed provisions.
- 14. Te Kaahui o Rauru, Te Korowai o Ngāruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust and Te Rūnanga o Ngāti Mutunga have prepared position statements in relation to the transition to a renewable energy system, setting out some of the expectations for engagement in renewable energy projects. These position statements underpin and inform a Regional Alternative Energy Position for Taranaki.



## **ENABLING INVESTMENT IN OFFSHORE RENEWABLE ENERGY**

15. Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru and individual PSGEs recently responded to the Discussion Document for Enabling Investment in Offshore Renewable Energy.

## 16. The response noted that:

- a. Whilst Ngā Iwi o Taranaki and individual PSGEs recognise and support the need for Aotearoa to transition to more sustainable forms of energy which reduce greenhouse gas emissions and contribute to the decarbonisation of New Zealand's energy system this cannot be at the expense of iwi and hapū.
- b. Historically, New Zealand's energy regulatory framework has excluded Māori from active participation and direct benefit from the energy system. This is largely a result of the Crown's presumption of ownership of natural resources and subsequent authorizing regimes. This resulted in the exploitation of Māori natural resources by private companies empowered by the Crown to the exclusion and detriment of iwi and hapū.
- c. Consequently, there are limited demonstrable positive impacts on the social, cultural, environmental and economic well-being of iwi and hapū from the exploitation of Māori natural resources which has placed iwi and hapū at a disadvantage in terms of engagement in these regulations and other alternative energy regulations as they develop.
- 17. In response to Chapter 4 Proposals for Managing Feasibility Activities there was concern that a developer-led approach increases the risks of iwi and hapū being marginalised from sharing in the economic benefits that will flow from the investment in offshore renewable energy unless the Crown and Māori agree in advance of the undertaking of feasibility activities of how this matter is addressed.
- 18. Ngā Iwi o Taranaki and individual PSGEs reiterated their support for a renewable energy transition process which promotes sustainable energy generation in a manner respectful to and inclusive of the full range of needs and aspirations of iwi and hapū, including social, cultural, environmental and economic imperatives.
- 19. The response acknowledges that this requires the Crown to ensure any new regulatory system is developed in partnership with iwi and hapū. A partnership approach will ensure that Māori rights and interests and other mechanisms for tangata whenua to share in the economic interests associated with offshore renewable energy generation are addressed, as well as implementing mechanisms that enable iwi and hapū involvement in decision-making and development of regulations.



# STRENGTHENING NATIONAL DIRECTION ON RENEWABLE ELECTRICITY GENERATION AND ELECTRICITY TRANSMISSION

20. Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru recently responded to the discussion document for Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission.

## 21. The response notes that:

- a. We understand that the intent of the proposed changes to the National Policy Statement for Renewable Electricity Generation (NPS-REG) and National Policy Statement on Electricity Transmission (NPS-ET) is to ensure the current planning settings enable New Zealand to significantly expand its renewable electricity generation capacity, which is vital for electrifying our industries and shifting to a low-emissions economy.
- b. However, whilst we support this intent, we are concerned that the current draft changes may result in unintended issues due to the lack of clarity within the interpretations, policies, and clauses, which results in inefficient consenting and/or designation processes.
- 22. To this end, we sought the inclusion of the proposed wording below into the NPS-REG and NPS-ET to ensure there is clarity with respect to Māori interests, hydro-electricity generation, decommissioning and remediation, and managing the effects on the environment:
  - a. *Policy 3* of the NPS-REG and *Policy 4* of the NPS-ET should be re-worded, and reflected in *Clauses 3.5* and *3.4* in the respective NPS to adopt the following:

Māori interests in relation to REG/ET activities are provided for through:

- i. the recognition that tangata whenua hold unique expertise in mātauranga Māori and tikanga; and
- ii. the upholding of the principle of Te Mana o te Wai, and the protection of sites and areas of significance to Māori (including wāhi tapu); and
- iii. the encouragement of timely, effective and meaningful engagement and consultation with tangata whenua in the planning, use, development, maintenance or upgrading, and decommissioning of REG/ET Activities; and
- iv. the recognition that only tangata whenua are the people who can identify the impacts on them, and their relationship with their culture, traditions, ancestral lands, waterbodies, sites, areas and landscapes and other taonga of significance to Māori; and
- v. the express enablement of their kaitiakitanga (to the extent that they wish to) in the planning, use, development, maintenance or upgrading, and decommissioning of REG/ET activities.

#### Hydro-electricity generation

b. New definitions to the NPS-REG must be included that define large scale hydro as those listed in *Clause 3.31* of the NPS-FM, and small, community or medium scale hydro being all other schemes that are not listed in *Clause 3.31* of the NPS-FM. Given that containment hydro can devastate whole catchments, it is necessary to include these specific definitions, as opposed to reliance on the more generic REG activities/Small-scale REG currently utilised within the NPS-REG. Based on our experience with schemes that are not listed in *Clause 3.31* of the NPS-FM, and in the context of Taranaki these small and medium sized containment hydro schemes have significant and on-going adverse effects on the receiving environment as well as tangata whenua.

## Decommissioning of renewable electricity infrastructure and remediation

c. The NPS-REG and NPS-ET must include policies that address the end of life of renewable electricity infrastructure and the remediation of these sites, as well as provide direction to District and Regional Councils to include specific provisions within their planning documents to manage this process in partnership with iwi and hapū. By taking a whole of life approach and including the decommission of assets at end of life in these NPS greater certainty is provided for all parties. In our view the recent experience with the Tui Oil Field and the end of life must be learnt from.

#### Managing the effects on the environment

d. At a minimum the NPS-REG/ET must set an expectation that any offsetting/compensation must adopt the principles for biodiversity offsetting/compensation as listed in *Appendix* 3 (Principles for Biodiversity Offsetting) and Appendix 4 (Principles for Biodiversity Compensation) of the proposed National Policy Statement for Indigenous Biodiversity (P-NPS-IB).



## DEVELOPING A REGULATORY FRAMEWORK FOR OFFSHORE RENEWABLE ENERGY

- 23. Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru provide the following submission in relation to the Second Discussion Document for Developing a Regulatory Framework for Offshore Renewable Energy.
- 24. In a cabinet paper released on 9 August 2023, Hon Dr Megan Woods committed to continue engaging with iwi and hapū, and through the National Iwi Chairs Forum, to provide practical options on the regulatory regimes and report back to Cabinet on the outcomes of these discussions at the end of 2023 so government can consider specific proposals for iwi and hapū participation. As outlined in the cabinet paper, the practical options to be discussed and explored with iwi and hapū included, 1) provisions for iwi and hapū participation in the delivery of the regime, such as a process for input into decision making on the grant of permits; and 2) how to ensure iwi and hapū benefit from the establishment of an offshore renewable energy industry.
- 25. In lieu of establishing a renewable energy pou at National Iwi Chairs level, a working group of iwi and hapū from the regions proposed for offshore wind energy generation (Taranaki, Waikato to Kaipara and Southland) was established to work with MBIE's Energy and Resource Markets team to discuss policy options specifically:
  - a. Existing Māori rights and interests offshore
  - b. Permitting criteria
  - c. Decision-making models and processes
  - d. Economic mechanisms and opportunities for Māori
  - e. Environmental data standardisation, collection and collaboration

The iwi and hapū groups involved in this working group include the PSGEs of Taranaki (as listed above), Te Rūnanga o Ngāi Tahu, Te Whakakitenga o Waikato, Te Nehenehenui, Te Rūnanga o Ngāti Whātua and Te Uri o Hau Hapū. The Energy and Resource Markets team of MBIE is committed to continue collaborating with this working group until the end of 2023 at which point recommendations will be provided to Cabinet on the outcomes of these discussions. The outcomes of our discussions to date are outlined in our submission below.

## Existing Māori Rights and Interests Offshore

Refer to Chapter 7 of the Discussion Document - Māori Rights and Interests and Enabling Iwi and Hapū Involvement

26. Existing rights and interests of Māori should not be unduly impacted by the feasibility and the commercial stages of developments for example limiting access to and use of areas through the establishment of safety zones around developments and sub-sea transmission cables that run ashore.

- 27. As outlined in *paragraph 2* of this response, PSGEs of Taranaki have existing settlement and other legally recognised rights and interests in the Coastal Marine Area and the Exclusive Economic Zone. Furthermore, they also have outstanding claim applications under the Marine and Coastal Area (Takutai Moana) Act 2011 that are underway and may determine or recognise Customary Marine Title and Protected Customary Rights out to 12 nautical miles.
- 28. Potential impacts on existing rights and interests from the establishment of offshore renewable energy generation include reduced commercial fisheries quota holdings, reduced ability for recreational fishing and mataital activities, as well as shallow and open water aquaculture.
- 29. Experience with the Crown Minerals Act 1991 (CMA) has shown that due to the relatively weak Treaty clause which requires that actors only "have regard to" Treaty principles, coupled with the narrow interpretation of this clause by the courts as only requiring that a decision-maker must give the matter genuine attention and thought, and that they are entitled to conclude it is not of sufficient significance to outweigh other contrary considerations. This interpretation in the CMA essentially pushes the rights and interests of Māori out of scope, pushing them along the process, to be addressed during consenting under the Resource Management Act 1991 (RMA) or the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ). However, experience tells us that once a permit has been granted under the CMA, it is largely inevitable from that point on, and Māori have little ability to sufficiently address rights and interests through consenting processes given the lack of scope under those processes to recognise and provide for the full gambit of the rights, interests and obligations of tangata whenua.
- 30. The purpose of the new Act for offshore renewable energy generation <u>must</u> be explicit and articulated in a way that it addresses the rights and interests of Māori upfront and not be left for the consenting process. For example, if its purpose was "to uphold Te Tīriti and its principles and manage offshore renewable energy generation for the benefit of all New Zealanders, while also considering economic, cultural, environmental and social outcomes" the rights and interests of Māori would be addressed during the permitting process and compensation for any loss paid, while developers would also be required to demonstrate how their proposal will develop and maintain partnerships with Māori and the wider community to achieve the above outcomes.
- 31. For this reason, we require active involvement in drafting the new Act through access to exposure drafts and any regulations, policies and/or guidance documents associated with the regime to ensure that these documents are articulated in a way that allows the ability to sufficiently address matters pertaining to Te Tiriti.

## **Permitting Process**

## Recommended Criteria

Refer to Chapter 3 of the Discussion Document - The Overall Permitting Process, Chapter 4 – Further Detail on Feasibility Permits, and Chapter 5 – Commercial Permits

- 32. Our submission to the December 2022 Discussion Document for Enabling Investment in Offshore Renewable Energy required that impacted iwi and hapū are involved in decision making on permit applications.
- 33. We recommended that the regulatory regime sets out specific requirements/criteria for developers to involve impacted iwi and hapū groups through each stage of the feasibility and commercial permits. These stages and our recommended criteria are outlined below:

## Recommended Feasibility Assessment Criteria

- a. Pre-feasibility
  - i. Submission of a mandatory iwi and hapū participation plan that identifies existing rights and interests and outlines how they will be involved during feasiblity.
- b. Feasibility permit assessment
  - i. Establishment of a board style approach to decision-making including representatives from iwi/hapū, government and local regulators to undertake a completeness check against the mandatory plan; and
  - ii. Permits are awarded with conditions that reflect involvement of iwi and hapū as agreed in the mandatory plan.
- c. Feasibility study development
  - Developers work with impacted iwi and hapū to understand the potential impacts of the planned development on existing rights and interests, and the environment;
  - ii. The decision-making board monitors and undertakes enforcement, where necessary, of the permit conditions stated above;
  - iii. Annual reporting through combined iwi/developer/central-local government hui, followed by a iwi/developer co-authored annual report which is provided to the decision-making board, and
  - iv. Submission of a mandatory Cultural Impact Assessment as part of the feasibility study.

# Recommended Commercial Assessment Criteria

## d. Pre-commercial

- Submission of a mandatory iwi and hapū participation plan that agrees involvement across the life of the asset including securing broader outcomes or non-price based criteria such as economic, environmental, cultural, social and educational opportunities;
- ii. Submission of a mandatory Cultural Impact Assessment as part of the commercial permit application.

- e. Commercial permit assessment
  - i. Establishment of a decision-making board (referred to above) including representation from iwi/hapū, and central and local government to undertake a completeness check against the mandatory plan; and
  - ii. Permits are awarded with conditions that reflect involvement of iwi and hapū as agreed in the mandatory plan.

# f. Life of generation asset

- i. The decision-making board monitors and undertakes enforcement, where necessary, of the permit conditions stated above;
- ii. Annual reporting through combined iwi/developer/central-local government hui to feedback on the work programme and health of the relationship between developers and iwi and hapū, followed by a iwi/developer co-authored annual report which is provided to the decision-making board.
- 34. In addition to the above criteria, we see value in collaborating in the development of best practice guidelines for the mandatory iwi and hapū participation plan (referred to above) for offshore renewable energy generation, similar to the Best Practice Guidelines for Engagement with Māori<sup>7</sup> developed by Te Rūnanga o Ngāti Ruanui for the petroleum industry. This guide could specify mechanisms and tools to enable iwi and hapū partnership and participation including but not limited to:
  - a. Establishment of a Kaitiaki Forum or similar mechanisms to enable shared planning, implementation and ongoing monitoring and compliance.
  - b. Establishment of a Technical Working Group to plan and implement feasibility studies.
  - c. Relationship Agreement or Memorandum of Understanding.
  - d. Commercial Partnership Agreement.
  - e. Power Purchase Agreement.
  - f. Environmental Compensation Agreement.
  - g. Data Sharing Agreement.
  - h. Service Level Agreement.
  - Agreement to secure broader outcomes or non-price based criteria such as economic, environmental, cultural, social and educational opportunities including but not limited to local employment and procurement, as well as skills development through scholarships, cadetships and secondments.
- 35. In response to *Question 4* of the Discussion Document and whether there should be a mechanism in the regime to be able to compare projects at the commercial stage, we support Option 2 (developer-initiated, with an option to compare) provided that the aforementioned decision-making board is established with iwi/hapū representation to make these decisions. With this option, developers would apply for a commercial permit which would be publicly notified and any other developers progressing feasibility in a similar location would have a time limited

<sup>&</sup>lt;sup>7</sup> Best Practice Guidelines for Engagement With Maori (nzpam.govt.nz)

- opportunity to make their own application. The decision-making board could then compare both applications side-by-side.
- 36. In response to *Question 6* and whether there should be mechanisms to ensure developers deliver on the commitments of their application over the life of the project, we support this approach and recommend the aforementioned decision-making board monitors and undertakes enforcement, where necessary, of the permit conditions (as referred to in *paragraph 33c.ii*).
- 37. In response to *Question 7* and whether 40 years is an appropriate maximum duration for the commercial permit, experience with the petroleum industry tell us that 40 years is too long. This is compounded by the lack of Te Tīriti compliance in relation to our Treaty partnership, and poor engagement with iwi and hapū on work programme complicance and monitoring. We recommended a shorter period of 30 years with a 15-year review period which is assessed by the aforementioned decision-making board with iwi/hapū representation to ensure that a permit holders commitments evolve over time. Our expectation is that this permit duration also includes the time for decommissioning or at least MBIEs position on this is made clear.
- 38. In response to *Question 8* and whether permit holders who wish to geographically extend their project are required to lodge new feasibility and commercial permit applications, we support MBIEs thinking which is to progress via a new permit application. This will ensure that proposals are assessed against the same criteria, impacted iwi and hapū are engaged and developers demonstrate how such an extension will benefit these groups, as would occur for a new permit, and there is an opportunity, if competition exists, for comparison between projects.

## **Feasibility Permits**

39. In response to *Question 1* on the feasibility permit allocation process, MBIE states that their preferred option is to run an initial feasibility round and then have an open-door process and the option for the regulator to launch subsequent rounds in the future. Provided the criteria recommended above (refer to *paragraph 32a-c*) are adopted, we support this option as the initial round will create a controlled yet competitive process where the best developer is granted a permit. Further, in terms of the subsequent 'open door' processes, it is our view that no permit should be granted until there is confirmation from the impacted iwi and hapū that they have been engaged by the developer in respect of the application.

# **Commercial Permits**

40. In response to *Question 4* on the commercial permit allocation process, MBIE states that their preferred option is for developers to initiate, with an option to compare. Provided the criteria recommended above (refer to *paragraph 32d-f*) are adopted, we support this option.

## Iwi and Hapū Participation in Permit Decision-Making

Refer to Chapter 7 of the Discussion Document - Māori Rights and Interests and Enabling Iwi and Hapū Involvement

- 41. In our submission to the December 2022 Discussion Document for Enabling Investment in Offshore Renewable Energy and as mentioned above (refer to paragraph 33b.i), a board style approach to decision-making is recommended to determine the outcome of feasibility and commercial permit applications. Our preference is that this decision-making board ultimately makes decisions rather than the alternative of forming an advisory board with iwi/hapū representation that makes recommendations to a decision maker.
- 42. Furthermore, our preference is for a decision-making board with iwi/hapū representation over the alternative of a dedicated submission process where iwi and hapū are notified and submit their views on applications, and require the regulator consider these views under the legislation. Experience with the CMA and the Block Offer process tells us that there is limited scope to influence permit decisions in this process.
- 43. Our expectation is that resourcing costs for the impacted iwi and hapū groups to be involved in decision-making is incorporated into the Application Fee.

## Economic Mechanisms and Opportunities for Māori

Refer to Chapter 6 of the Discussion Document – Economics of the Regime and Chapter 7 – Economic Opportunities for Māori

- 44. In Europe and the UK, policy supports and financial de-risking tools have been fundamental to initiating investment in offshore wind energy generation projects. The typical offshore wind commercial package observed overseas, includes three key mechanisms:
  - a. Rights the allocation of offshore rights (usually by tender);
  - b. Government-backed Contract for Difference (CfD) the offer of a two-way, government backed CfD hedge contract that de-risks the project; and
  - c. Royalty payment of a royalty (or upfront developer fee) that share the economic benefits of these projects recognising national and local community economic interests and loss, or through direct co-investment models.
- 45. Historically, the New Zealand Government has played similar roles in the establishment of the petroleum industry in terms of regulation and management, and direct investment. In 1960's the Government invested directly into oil and gas exploration and development after the discovery of the Kapuni and Maui gas fields by establishing the Natural Gas Corporation to provide facilities for the processing, transmission, and distribution; and by taking a 50 percent interest in the Maui field to provide a catalyst for its development. This is not dissimilar from revenue support mechanisms proposed in the Discussion Document and outlined below such as a CfD.
- 46. Whilst we are supportive of transitioning to more sustainable forms of renewable energy generation in Aotearoa this cannot be at the expense of tangata whenua as has been the case with the petroleum industry. In the claim for petroleum, natural gas and mineral resources

brought to the Waitangi Tribunal by Tohepakanga Ngatai on behalf of all descendants of Ngā hapū o Ngā Ruahine (Wai 796) in 1999 the Tribunal found that Māori had legal title to the petroleum in their land. However, the Governments' passing of the Petroleum Act 1937 under urgency meant it was passed without addressing Māori rights to receive royalties or sharing in the economic benefits. The Tribunal recommended the creation of a Treaty interest in favour of Ngāruahine allowing them the right to negotiate redress for the wrongful loss of the petroleum, and the Crown's royalty entitlements and also the Crown's remaining interest in the Kupe petroleum mining licence to be made available for inclusion in settlements with affected claimants. The Crown never enacted these recommendations despite receiving several billions of dollars in royalties since the late 1960's. Still today there are limited demonstrable positive impacts on the social and cultural well-being of Ngāruahine and others from the exploitation of petroleum resources within their rohe. As we look forward and transition to more sustainable forms of energy, we must reflect on the whakataukī attributed to the Waitangi Tribunal Report WAI 796 - 'Ka tika ā muri, ka tika ā mua' it reminds us that - If the foundations are properly laid, the relationship will endure.

47. In response to *Question 12*, we are in favour of revenue support and gathering mechanisms provided the Crown and Government elect mechanisms and policy options that share the economic benefits of offshore renewable energy generation projects with the impacted iwi and hapū groups to enable an equitable partnership in accordance with Te Tīriti. Accordingly, we have assessed each of the three key mechanisms outlined in the Discussion Document (rights, CfDs and royalties), outlined potential policy options that would enable an equitable partnership with impacted iwi and hapū, and provided our recommendations as follows:

## Key Commercial Partnership Mechanisms

- a. <u>Rights</u> Rights are issued to a developer to build and operate an offshore wind farm for a specific period of time over the area specified in the permit.
  - i. <u>Policy option 1 (Recommended):</u> Impacted iwi and hapū receive an allocation based on a designated permit area and could trade this right or work with a developer on a specific project. It is important to note that individual PSGEs with the support of their hapū and individual hapū have current applications for claim under the Marine and Coastal Area (Takutai Moana) Act 2011 for Customary Marine Title and Protected Customary Rights out to 200 nautical miles (refer to paragraph 2c).
- b. <u>Government-backed Contract for Difference (CfD) -</u> A CfD gives investors' confidence and security while also providing a direct supply of electricity to Aotearoa.
  - i. <u>Policy option 2a (Recommended): Impacted iwi and hapū independently trade CfDs with developers</u> Government supply impacted iwi and hapū with the CfD to offer to developers to leverage a partnership e.g., a share as a joint venture partner or an equity return. Government continues to pay the developer the difference between the wholesale price and the CfD strike price.

- ii. <u>Policy option 2b: Government in partnership with impacted iwi and hapū groups engages in the tender process supported by a CfD</u> Government leverages the impacted iwi and hapū into the process to negotiate a greater economic package with developers.
- c. Royalty Payment made recognising national and/or local community interests and loss.
  - i. <u>Option 3 (Recommended)</u>: Revenue flows back (e.g., royalties) to government and the impacted iwi and hapū groups. This should be structured so a generation output (\$ per MWh) based royalty is charged to a wind farm once it is producing and this is shared equitably with the government and the impacted iwi and hapū groups. In reference to *Questions 12, 14 and 15* of the Discussion Document, this policy option is recommended.

It is important to note that policy options (a), (b) and (c) are not interchangeable. They are an integrated package which recognises the tino rangatiratanga of the impacted iwi and hapū.

- 48. Irrespective of whether or not revenue support and gathering mechanisms are elected in this regime or any process outside of this, the Crown and Government have a responsibility to uphold Te Tīriti and its principles of partnership and active protection of Māori rights and interests to ensure an equitable partnership endures and active participation is enabled throughout the life of these developments.
- 49. In addition to this, the Crown and Government have a responsibility to ensure the regime enables active participation of impacted iwi and hapū groups in each project that receives a permit. This could occur through the recommended key participation mechanisms as outlined below:

## Key Active Participation Mechanisms

- a. <u>Seed funding</u> (this is in addition to the cost recovery structure of an Application Fee and Annual Fee) Participation in a sector requires more than the allocation of rights. A grant or non-recourse loan is paid by the Crown to the impacted iwi and hapū groups to enable long term equity participation in each offshore renewable energy generation project that receives a permit and resource consent to proceed to construction. This follows precedents set in the spectrum as well as fisheries where Māori entities received various other items in addition to rights.
- b. <u>Cultural/kaitiaki expert fund</u> (this should form part of the Annual Fee) Payment by developers to impacted iwi and hapū groups for costs associated with provision of services to developers for the duration of the permit. Services could include but are not limited to active participation in feasibility studies, as well as monitoring and compliance during construction, operation, and decommissioning.
- 50. In response to *Question 13*, we support the approach to recover costs from administering the regime from participants via an Application Fee and Annual Fee provided it is structured to compensate the impacted iwi and hapū groups for their involvement in decision-making (refer to

paragraph 43), Cultural/kaitiaki expert fund as a mechanism for active participation (refer to paragraph 49b) and environmental data collaboration and collection (refer to paragraph 56). In addition to the Application Fee and Annual Fee, we propose the addition of Seed Funding as a mechanism to enable active participation (refer to paragraph 49a).

- 51. In response to *Question 11* which mentions potential distortionary impacts of implementing revenue support mechanisms (e.g., a CfD) for offshore renewables and not for onshore wind or onshore solar projects and this disincentivising onshore renewables. For the Government to reach its net-zero 2050 goals and reduce emissions to 30% below 2005 levels by 2030 a significant change is required in terms of the amount of alternative energy generation and the mix of those energy types. Within an intermittent alternative energy system, offshore wind has the highest capacity factor (energy generating capacity) of 50-55% compared to that of onshore wind at 40% and solar at 16%. Offshore wind also requires significant capital investment compared to that of onshore wind and solar projects. Therefore, we see value in implementing revenue support and gathering mechanisms for offshore renewables provided this is done in a Te Tīriti compliant manner as discussed above (refer to *paragraph 47-50*).
- 52. Further to this, there is limited or no social licence for large scale hydro schemes and onshore wind projects, and whilst there is social licence for solar projects the scale of energy generation does not compare to that of offshore wind for example.

#### **Environmental Data Standardisation, Collaboration and Collection**

Refer to Chapter 2 of the Discussion Document – We remain interested in enabling opportunities for collaboration.

- 53. Our submission to the December 2022 Discussion Document for Enabling Investment in Offshore Renewable Energy recommended a Te Tiriti-led approach, including a more spatially planned approach with Government, as oppose to the near-term preferred option of a developer-led approach. Whilst this Discussion Document appears to still favour the developer-led approach it identifies a collaborative environmental data collection exercise for feasibility studies as the first foundational step to potentially enabling a more spatially planned approach in the longer term.
- 54. There are risks associated with relying on developers to collect data individually and without guidance, coupled with the lack of baseline environmental data in New Zealand. Risks include data that is fragmented, inconsistent, hard to compare and therefore less valuable, and as a result data that is not sufficient to inform robust consenting decisions. Furthermore, the limited specialist expertise in New Zealand may mean that developers 'lock up' specialist expertise for individual studies.
- 55. We support MBIEs current thinking around the development of guidance for best practice/international standards of collection, monitoring, and mitigation techniques via a technical forum inclusive of government, developer and iwi representation; and a collaborative exercise between government, developers and impacted iwi and hapū groups to plan studies and collect and share environmental data.

56. We expect that this collaboration will occur from pre-feasibility, post-feasibility, and post consent to fulfil monitoring conditions, and resourcing costs for the impacted iwi and hapū groups to be involved in this process are incorporated into the Annual Fee.

## Iwi and Hapū Participation in Environmental Consenting Decision-Making

Refer to Chapter 8 of the Discussion Document – Interaction with Environmental Consenting Processes

- 57. As mentioned above (refer to paragraph 30) the new Act <u>must</u> be explicit and articulated in a way that it addresses the rights and interests of Māori upfront in the permitting process and not be left for the consenting process. This will ensure that consenting processes focus solely on the sustainable management of natural and physical resources and consider environmental effects relative to each application.
- 58. The discussion document notes a desire to avoid duplication in processes and therefore does not propose any changes to environment legislation/processes to manage effects on the environment. Given the pace of change required to enable transitions this passive approach is considered risky, and in our view does not appreciate the potential inefficiencies that will result.
- 59. In terms of the environmental consenting process in the Territorial Seas, the new National Government has announced that it will repeal Labour's Resource Management Act Reforms (including the Natural and Built Environment Act (NBA), Spatial Planning Act (SPA)), reverting back to the RMA and the introduction of a fast-track consenting regime including one-year consenting for major infrastructure and renewable energy projects.
- 60. At the time of writing this submission there is still uncertainty regarding the future government make-up. However, irrespective of whether the new government progresses with this policy or maintains the path of the Labour Government to repeal the RMA and enact the NBA/SPA there are some clear gaps in both consenting pathways. The former will require direction from the Minister to amend the National Policy Statement for Renewable Energy Generation (NPS-REG) as currently the New Zealand Coastal Policy Statement's 'avoid' policies in relation to specific indigenous biodiversity, outstanding natural character and outstanding features and landscapes in the coastal environment (including within the Territorial Seas) override the weaker language of the NPS-REG making it harder to obtain consent. The latter, which will take up to 10 years to complete the transition to the new resource management system of the NBA and SPA. The development of the first National Planning Framework which will provide all national direction, will require clear transitional provisions so developers know what rules will apply at different stages of their projects prior to the bedding-in of this new system.
- 61. Similarly, within the EEZ, guidance may be required to assess the importance of renewable energy generation where there are conflicts with environmental interests and values.
- 62. In the Taranaki context these same issues are reflected in local planning instruments. Existing RMA plans in the region have not contemplated offshore energy and the associated changes to

on-shore infrastructure that is anticipated to enable this activity/industry. Without deliberate and clear changes to local instruments an over-reliance on (the potentially combative) resource consent processes are not considered effective, efficient or in the best interests of any party, or able to protect the health and wellbeing of the environment to provide for future generations.

- 63. In response to *Question 21*, we recommend that clarity is provided in terms of the above environmental consenting pathways within the Territorial Seas and EEZ to provide assurance and confidence to all stakeholders.
- 64. In addition to the above recommendations relating to environmental consenting pathways, we recommend the establishment of a board style approach to decision-making on all environmental consents within the Territorial Seas and the EEZ. Similar to the decision-making board proposed to consider applications for feasibility and commercial permits (refer to *paragraph 33b.i* above), this board should consist of representation of iwi/hapū, and central and local government.
- 65. In response to *Question 17* and whether a single consent authority be established and responsible for consents under both the RMA Act, EEZ Act and fast-track consenting provisions, we recommend that the aforementioned decision-making board and its representation forms part of this authority.
- 66. In response to *Question 19*, we recommend that the offshore permitting regime assesses any prior environmental performance in other areas, the capability of a developer to obtain the necessary environmental consents including their understanding of the environmental consenting processes and pathways, and early engagement to work through environmental data collection which, as mentioned in *paragraph 53-56*, should be done in collaboration with government, other developers and impacted iwi and hapū groups.
- 67. In response to *Question 20* and the optimal sequencing of permits and environmental consents, we support Option 1 which is to obtain a feasibility permit, followed by the relevant environmental consents, and then application for a commercial permit. This way, at the commercial permit application stage, there will be no need to assess a developer's capability to get the relevant environmental consents as they will already be in place.

#### Opportunities for Joint Connnection Infrastructure

Refer to Chapter 9 of the Discussion Document – Enabling Transmission and other Infrastructure

- 68. In response to *Question 25*, we support the approach of developers coordinating and progressing on similar timelines, if possible, so infrastructure developed in areas of high interest such as the South Taranaki will be developed with fewer cables resulting in reduced environmental impacts and a reduction in costs.
- 69. In our view this issue, and the efficient development of infrastructure requires upfront planning and the use of tools such as spatial planning.

# Port Infrastructure

Refer to Chapter 9 of the Discussion Document – Enabling Transmission and other Infrastructure

70. In response to *Question 27*, we acknowledge that a significant amount of investment is required into Port Taranaki Limited and into the establishment of a new port in Patea for offshore renewable energy projects to progress in Taranaki. Whilst we are not across the current needs of these ports (scale of development and costs) we encourage the Government to invest into this infrastructure to make the step change that's required to achieve their net-zero 2050 goals and reduce emissions to 30% below 2005 levels by 2030.

## **Decommissioning**

Refer to Chapter 10 of the Discussion Document – Decommissioning

- 71. Taranaki Iwi and Hapū and their recent experience with the abandonment of the Tui oil field and the subsequent taxpayer funded decommissioning, is a motivating factor to ensure that offshore renewable energy generators who construct and operate this infrastructure are held responsible for decomissioning it at the end of its useful life and meeting the costs of these decommissioning activities.
- 72. With this in mind, we support the approach of developers submitting a decommissioning plan in order to obtain a permit and this plan being subject to regular reviews to ensure it is kept up to date; provision of a cost estimate and financial security covering their decommissioning plan; and permit holders being subject to regular financial capability assessments to ensure they are capable of carrying out and meeting the costs of decommissioning. In addition, we recommend that developers collaborate with the impacted iwi and hapū groups in the development of decommissioning plans and obtain approporite expert advice from iwi/hapū at all stages including plan reviews.
- 73. In response to *Question 29*, we support the approach for the decommissioning plan, cost estimate and financial security to be based on full removal which will require a permit holder to obtain and maintain financial security of a greater amount. The rationale for this, is to provide Government and taxpayers with greater protection and avoid what occurred in the Tui oil field.
- 74. In response to *Question 31*, in terms of timing of when decommissioning plans should be assessed, we support the approach to submit a complete decommissioning plan and cost estimate at the commercial permit stage however we require that a developer capability is also assessed as part of their feasibility application. During feasibility developers should demonstrate their understanding of the decommissioning requirements; relevant knowledge, capability, and experience to execute decommissioning activities; and provide an outline of a decommissioning plan based on full removal. As mentioned above, development of decommissioning plans should

be done in collaboration with the impacted iwi and hapū groups who provide expert input into the Plans.

75. In response to *Question 34*, in addition to MBIEs regime and requiring this decommissioning plan and financial securities, we support the requirement for permit holders to submit a more detailed decommissioning plan related to environmental effects to support an application for a marine consent to decommission. Development of these more detailed plans should also be done in collaboration with the impacted iwi and hapū groups.

## Decision-Making within the Regime

Refer to Chapter 12 of the Discussion Document – Other Regulatory Matters

76. In response to *Question 37*, and the proposed options for the decision-making structures, we support Option 2 (decision by a regulator) and Option 3 (hybrid model) over Option 1 (ministerial decision), provided that the decision-making board has appropriate iwi/hapū representation. This board style approach to decision making with appropriate iwi and hapū representation is reflected in *paragraph 33.b.i*.

## Transfer and Change of Control Scenario

Refer to Chapter 12 of the Discussion Document – Other Regulatory Matters

77. In the instance that there is a change in ownership of structures via acquisition or mergers, or permit holders want to sell their interests, we expect that criteria to obtain a feasibility and commercial permit and the associated conditions continue to be met by the transferee. Therefore, we require that any permit transfer is approved by the aforementioned decision-making board with appropriate iwi/hapū representation.

## The Case for Safety Zones

Refer to Chapter 12 of the Discussion Document – Other Regulatory Matters

78. In response to *Question 41*, and the options proposed for safety zones, we support Option 4 where guidance is developed on appropriate safety zone sizes for each development stage (e.g., 500 metres for key risk periods and 50 metres for normal operation) but there is flexibility to consider applications for other amounts, over Option 1 (no safety zone), Option 2 (automatic 500 metre safety zone around all infrastructure), and Option 3 (consideration on a case-by-case basis). We recommend that consideration of safety zones in accordance with Option 4 is done via the aforementioned decision-making board with appropriate iwi/hapū representation which will enable prior consideration of the potential impacts on existing Māori rights and interests when setting these limits.



## MEASURES FOR TRANSITION TO AN EXPANDED AND HIGHLY RENEWABLE ELECTRICITY SYSTEM

- 79. The Discussion Document considers accelerating the supply of renewables via financial support mechanisms including power purchase agreements, renewable certificate obligations, Government-backed Contract for Difference (CfD) and feed-in tariffs.
- 80. As stated above in our submission to Developing a Regulatory Framework for Offshore Renewable Energy, it is our view that if revenue support and gathering mechanisms are implemented for new renewable energy projects, the Crown and Government are obligated in accordance with Te Tīriti to elect mechanisms that share the economic benefits with the impacted iwi and hapū groups to enable an equitable Treaty partnership and transition. The economic mechanisms recommended in paragraph 45a-c should be reiterated in this policy.
- 81. To this end, we welcome the opportunity to collaborate with MBIE on the development of electricity market measures ahead of implementation. This could coincide with the working group established to collaborate with the Energy and Resource Markets team of MBIE to review, assess and recommend policy options associated with the Discussion Document Developing a Regulatory Framework for Offshore Renewable Energy.

#### **GAS TRANSITION PLAN ISSUES PAPER**

- 82. The fossil gas transition has particular relevance in Taranaki due to the number of existing petroleum exploration and production sites. The Issues Paper considers that carbon capture, utilisation and storage could play an important role in decarbonising gas.
- 83. Whilst we understand the need for upstream producers to capture and lower their emissions, there is a fundamental conflict for iwi and hapū with re-injecting emissions and renewable gases like biomethane and green hydrogen into depleted reservoirs. This stems from the continued grievances held by iwi and hapū in relation to WAI796 and the ongoing "use" of Papatūānuku in this manner.
- 84. Our expectation is that cultural and environmental matters are prioritised over economic, and that, in collaboration with impacted iwi and hapū, alternate storage options are explored and considered ahead of well re-injection. To this end, we welcome the opportunity to collaborate with MBIE on the development of the final Gas Transition Plan.

#### **INTERIM HYDROGEN ROADMAP**

- 85. The Hydrogen Roadmap considers that large or otherwise hard-to-abate fossil gas users are exploring the potential to decarbonise their processes over time utilising green hydrogen produced via electrolysis.
- 86. It is well known that surface water bodies in Taranaki are already under immense pressure with current water take and discharges associated with agricultural, residential, industrial, and municipal activities. Whilst required volumes will be small compared to national water usage for

- agriculture, residential and commercial uses, it is likely this would still constitute very large volumes at a local level in areas where there is already pressure on water supplies.
- 87. With that said, we do not support additional takes of surface water and recommend the exploration of other water types such as process water or grey water for the process of electrolysis. To this end, we welcome the opportunity to collaborate with MBIE on the development of the final Hydrogen Roadmap.

#### IMPLEMENTING A BAN ON NEW FOSSIL-FUELS BASELOAD ELECTRICITY GENERATION

88. We support Governments proposal to ban new fossil fuel baseload electricity generations and concur that these activities no longer have a place in Aotearoa as we work towards Governments net-zero target by 2050.

#### **EQUITABLE TRANSITIONS STRATEGY**

- 89. The Strategy aims to support people through this period of change, lay the foundations for future decision-making, and uphold Te Tīriti. This will include proposed action areas to guide and support a fair and inclusive transition with a particular focus on those groups that are disproportionately affected by the transition.
- 90. In our view, the Government is obligated in its Treaty partnership to collaborate with iwi and hapu in the development of this strategy ensuring Te Tīriti is upheld, and the transition is 'just' for iwi-Māori. We welcome the opportunity to collaborate with MBIE and the Ministry of Social Development on the development of this important Strategy.



#### CONCLUSION

- 91. In conclusion, Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru support the election of economic mechanisms, policies and clauses that enable an equitable iwi and hapū partnership and active participation in the energy system in accordance with Te Tīriti, and facilitate the expansion of offshore and onshore renewable energy generation in Aotearoa.
- 92. To this end, we seek the above changes to ensure there is clarity in the regime for offshore renewable energy generation and future work programmes for the Gas Transition Plan, the Hydrogen Roadmap and Electricity Market Measures.
- 93. We look forward to continuing working with MBIE's Energy and Resource Markets team until the end of 2023 to confirm aspects of the offshore regime and beyond for the future work programmes and Energy Strategy.
- 94. Ngā Iwi o Taranaki, Te Rūnanga o Ngāti Ruanui, Te Kaahui o Rauru, Te Korowai o Ngā Ruahine, Te Kāhui o Taranaki Trust, Te Kotahitanga o Te Atiawa Trust, Te Rūnanga o Ngāti Mutunga, Te Runanga o Ngāti Tama and Te Kāhui Maru request the opportunity to speak to this submission.

DATED the 16 November 2023