

Ministry of Business, Innovation and Employment
15 Stout Street
PO Box 1472
Wellington 6140

31 October 2023

Submission on consultation documents - Advancing New Zealand's Energy Transition

Te Puna Umanga/Venture Taranaki appreciates the opportunity to provide feedback and input into the range of energy documents pertaining to New Zealand's energy transition recently released by MBIE.

We are the regional development agency for the Taranaki region, encompassing a wide range of activities spanning local and regional economic development and strategy, enterprise innovation and growth, regional promotion and investment, sector development and major event attraction. We are a Council Controlled Organisation of the New Plymouth District Council, governed by an independent Board of Trustees, and guided by Te Tiriti o Waitangi.

We are committed to ensuring our region remains at the heart of New Zealand's energy sector. The oil and gas industry in Taranaki has provided economic development and energy security for the country however we understand the imperative of shifting to a low emissions economy and the opportunity for an energy transition.

Through our people, natural resources and location, Taranaki has the potential to be a centre of renewable energy excellence and drive the country's transition. There is a wealth of energy expertise in the region that is already turning its abilities towards renewable energy production. We are leveraging our world-class wind, ample sunlight and other natural resources, and advancing energy innovations and new industrial applications.

Completion and activation of the New Zealand Energy Strategy and its underpinning documents is, however, well overdue. In order to be effective, our regional growth and energy transition requires a platform with clear signals, stable policy, and commitment to a pathway that fosters long term investor confidence, and this means a New Zealand Energy Strategy which has cross-party support.

Our feedback on the following energy documents, are detailed in the following pages.

- 1.0 *Developing a Regulatory Framework for Offshore Renewable Energy*
- 2.0 *Gas Transition Plan issues paper*
- 3.0 *Interim Hydrogen Roadmap*
- 4.0 *Measures for transition to an expanded and highly renewable electricity system*

1.0 Developing a Regulatory Framework for Offshore Renewable Energy

New Zealand, and Taranaki specifically, is home to a world class offshore renewable energy source, as detailed in our [Offshore Wind Discussion Paper](#).

Harnessing this potential would significantly contribute to the decarbonisation efforts in New Zealand and ensure the country reaches its goal of net zero carbon emissions by 2050. Large scale renewable energy generation could also support broader economic stimulation through processes such as [power-to-x](#) (using renewable energy to create 'green' versions of products such as ammonia or methanol) contributing to a growth economy, exports, jobs, community and regional development.

Development interest in the above is already prevalent in our region. We therefore support the development of a bespoke regulatory regime for offshore renewable energy and for this to be brought into force in a timely manner.

Drawing from the consultation document which contribute to the above, our specific comments (pertaining to key questions) are as follows:

Chapter 4: Further detail on feasibility permits.

1 Following an initial feasibility permit application round, should there be both an open-door policy and the ability for government to run subsequent rounds? If not, why not? **There are benefits in both. Release of 'rounds' offers a structured and transparent approach for applicants and a means for Aotearoa to actively position and promote itself nationally and internationally as a favourable offshore wind and renewable energy location. It enables comparisons to be made between applications aiming for the best overall outcomes. However, we also recognise that this can create difficulties, especially for agencies processing consents, as applications end up being grouped together. An 'open door' policy reduces this, and also offers flexibility in timing and investor approach which may also create new opportunities.**

3 Do you think the maximum area of a project should be put forward by developers and set out in guidance material, rather than prescribed in legislation? If not, why not? **Developer-led with guidance material provides for a more flexible approach.**

Chapter 5: Commercial permits

4 Should there be a mechanism for government to be able to compare projects at the commercial stage in certain circumstances? **We question the need for an added comparison mechanism, after a pass/fail assessment. It risks creating a layer of uncertainty and for investors. Alternative mechanisms, outside the permitting process, could be established. But more critically, potential risks should be identified early in the process – including at feasibility stage - with a view to progressively addressing and re-disking along the way, as opposed to waiting until the commercial permitting assessment stage.**

5 Are the proposed criteria appropriate and complete? If not, what are we missing? **We agree with the proposed criteria. Inclusion of economic development potential is important to regions such as Taranaki, where the offshore wind energy is likely to be established and where its presence can**

contribute to the leveraging of skills, resources and infrastructure and foster new careers for current and future generations. We seek clarification on the relative weighting amongst the criteria.

6 Should there be mechanisms to ensure developers deliver on the commitments of their application over the life of the project? **Yes - Annual reporting to the regulatory body should be a requirement to ensure open dialogue and discussion on commitments and delivery. Mechanisms could also include options to impose compliance notices, infringement notices or fines/other penalties if deemed necessary and appropriate.**

In terms of transferability of ownership, ensuring these commitments are also transferred in full.

In terms of economic development delivery and check points, we would expect the developer to establish an office in the regional community where the project is established; demonstrate genuine commitment to the community, investments and supply chains proposed including regular engagement with the local economic development agency, council or similar.

9 Would the structure of the feasibility and commercial permit process as described enable research and development and demonstration projects to go ahead? **This appears a pragmatic, positive addition i.e., that projects that are not yet commercial such as R&D, be allowed to progress via an exemption to the permitting process. Encouraging innovation is important.**

Chapter 6: Economics of the regime

11. Is there a risk in offering support mechanisms for offshore renewables without offering equivalent support to onshore renewables? Are there any characteristics of offshore renewables which mean they require support that onshore renewables do not? **The provision of support mechanisms is necessary if New Zealand is to successfully secure an offshore wind energy industry. A revenue stabilisation regime is important to bring new generation projects to market and to reduce financing costs. New Zealand has very few large industrial users and even fewer who are willing to sign firm, credit-worthy PPAs long-enough to make a project bankable.**

12 Should there be a revenue flow back to government? And if yes, do you have views on how this should be structured? **We do not see a royalty regime as essential for offshore wind. New Zealand will be stretched to reach its renewable energy targets and royalty charges could disincentivise investment. However, if a royalty regime is instituted, those funds should be ring-fenced for the local region, rather than go into the consolidated fund, so it can be reinvested and support the ongoing transition and address any negative impacts of development if felt locally.**

13 Do you agree with the proposed approach to cost recovery? If not, why not? **We agree it is appropriate to charge fees to cover costs of administering regime.**

Chapter 7: Māori Rights and Interests and Enabling Iwi and Hapū involvement

14 Is there anything you would like us to consider as we engage with iwi and hapū on Māori involvement in the permitting regime? **We strongly support the inclusion of iwi and hapū throughout the process. Guidance should be developed around expectations in this regard. The participation of iwi and hapū should also be compensated.**

Chapter 8: Interaction with the environmental consenting processes

17 For each individual development, should a single consent authority be responsible for environmental consents under the Resource Management Act 1991 and the and Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012? Why or why not? **We are supportive of there being a one-stop shop for consenting applications across the territorial sea and the exclusive economic zone. However, it is critical that local government have a strong and legally required role in this process. There have been instances where consents that have been put in place by the Environmental Protection Agency, have required the input of local authorities to monitor and enforce and this has created issues. Input by local authorities at the drafting stage is therefore important.**

Chapter 9: Enabling transmission and other infrastructure.

26 Do you agree with the representation of the timeline challenge for onshore interconnection assets? **We agree with timing challenges for onshore interconnection assets. Regulatory frameworks should allow Transpower to invest proactively. Concepts such as REZ should also be considered to promote efficient, long-term generation investment in-line with Government strategy. Cost allocation mechanisms should not result in a first mover disadvantage.**

27 What changes might be needed in order to deliver the types of port infrastructure upgrades needed to support offshore renewables? **Port infrastructure is critical – not only for offshore wind, but green hydrogen derivatives and the future oil and gas decommissioning projects. Long term and holistic considerations are important. We need to avoid a siloed and first mover disadvantage situation.**

The Government has a strong role to play in de-risking forward planning and supporting the development of this national infrastructure critical to the nation's energy industry future.

This should occur in a timely manner, working closely with port infrastructure owners, developers and communities, to ensure there is investment for the long term, rather than on a project by project. There is an urgency to this process - for offshore wind energy construction to begin in the early 2030's, ports must commence investing in infrastructure projects today. Infrastructural considerations should also extend to supply base and other connected elements.

Chapter 10: Decommissioning

28 Should developers be required to submit a decommissioning plan, cost estimate and provide a financial security for the cost estimate? If not, why not? **Consideration of decommissioning upfront is critical. Commercial permits must demonstrate full lifespan considerations, with commitments transferring to new asset owners. Regulations should encourage commercial permit holders to implement circular economy design principles in construction. Decommissioning recommendations also need to address what happens if consent conditions are breached to such an extent that permits are revoked.**

Chapter 11: Compliance

38. Should there be an opportunity for public submissions on the commercial permitting decision?

Public consultation on the commercial permits, could be limited to the environmental consents, given the predominantly technical and commercial nature of the permits. However, given that the assessment criteria include a review of economic and regional development, and given the importance of these elements to regions such as Taranaki, reference checks with councils and/or regional development agencies should be a requirement within the assessment by the regulator.

2.0 Gas Transition Plan Issues Paper

Venture Taranaki welcomes the considered approach the Government is taking to the gas transition. Gas has a positive role to play within the energy system and this should be recognised. It is also clear that a transition needs to occur, but it must be managed to avoid economic or energy system shocks. An unmanaged transition poses considerable risks to our energy system and resilience, economic and community well-being. This would be particularly the case in Taranaki where the industry is concentrated, intricacies well known and evidenced in [several publications](#).

Although gas consumption and production at New Zealand's gas fields will ultimately decline, ongoing investment is still needed to ensure a smooth transition to a sustainable system with sufficient, reliable, consistent supply and avoiding a disorderly exit.

Drawing from the consultation document, our specific comments in relation to designated questions are as follows:

The transition challenge.

1. How can New Zealand transition to a smaller gas market over time?

Whilst reaffirming the role of gas, alternatives should be actively enabled and supported in their development and incentivised in relation to adoption.

This should include recognising that there are a number of options (e.g., hydrogen, biogas, increased electrification etc). Furthermore, at this early stage of technology development and transition, investments and adoption by users are often difficult to justify on short-term economic grounds. We therefore recommend that the Government actively engages in ways to help bridge this gap.

We also support the endeavours of large gas users/high emitters who are progressively planning their transitioning, and that a pathway is developed, in partnership with Government, and that this recognises the investment and time needed to transition, as well as options for acceleration.

Ensuring a well-managed and enabled transition is critical for the retention and transferability of industry, energy infrastructure, skills and talent and resources e.g., from fossil fuels to green gas.

This will also enable the country to utilise options, ensure flexibility as developments emerge, and work closely with communities and regions such as Taranaki, who are at the forefront of changes, opportunities and potential impacts.

2. What is needed to ensure fossil gas availability over the transition period?

For there to be fossil gas availability over time requires investor confidence – and underpinning this, clear signals, stable policy, and commitment to a pathway that enables such confidence. The government should clearly communicate the importance of fossil gas as a transition product, why and how this can occur and will be supported and committed over time. The important role that gas plays in the transition transcends the three-year parliamentary term. Such investments have long term horizons. Cross-party agreement on the role of gas, and the opportunities/alternatives of e.g., biogas, hydrogen and CCS etc is important.

An unplanned exit of Methanex, would have significant repercussions for our energy system, security of supply, industry confidence and investment attractiveness as well as infrastructural use and availability, including for households, industry and exports, and repercussions for regions such as Taranaki.

We encourage a proactive approach from Government when engaging with the energy industry, to explore avenues to enhance investment viability to ensure security of supply and the development of potential solutions.

3. What factors do you see driving decisions to invest or wind down fossil gas production?

New Zealand is situated within in a global investment decision making context - thus, our investment attractiveness is relative to other options. Critical factors/considerations include:

- The stability of our policy settings – whether they are supported by a planned approach and the signals of how gas is seen as part of the energy future of New Zealand.
- Risk analysis - Uncertainty will impact confidence and investment decisions.
- Sudden shocks and departures including the decisions and transition plans of major investors or users.
- The presence of Methanex in New Zealand.
- The potential inclusion of options/innovations and transition solutions e.g., CCUS.

4. Does the Government have a role in enabling continued investment in the gas sector to meet energy security needs? **Yes:**

- Articulating the positive role gas can play in the transition and underpinning security of supply.
- Ensuring clear signals, stable policy, commit to a pathway that enables investment confidence.
- Seeking to minimise unplanned exits and working with major users e.g., Methanex, Balance on transition plans which will then in turn, convey clarity on forward plans.

6. Does the Government have a role in supporting vulnerable residential consumers as network fossil gas use declines? **Yes**

In the first instance, programmes to support energy efficiency but also energy hardship programmes providing advice, support and to help incentivise shifts to alternatives.

Fossil gas and electricity

11. Do you see alternative technology options offering credible options to replace gas in electricity generation over time?

New Zealand has an abundance of renewable energy (including potential offshore wind) which can contribute to our growing long-term electricity/energy needs.

Green hydrogen can add flexibility to the system in critical areas such as energy/storage, as well as manufacturing, (chemical feedstock and high temperature process heat applications), transportation and other applications. This provides a key opportunity to mitigate both domestic emissions and encourage high-value, sustainable business investments to drive economic growth for NZ.

Chapter three – key issues and opportunities

Renewable gases and emissions reduction technologies

13/14/15. Various questions concerning support for biogas: **Biogas can play a valuable role within the energy mix. The extent of use could, however, be limited by supply.**

Hydrogen

17/18/19/20. Various question about the support for hydrogen: **We agree that hydrogen has a critical role to play in New Zealand’s energy future and helping to lower emissions, especially in targeted applications.**

Renewable gas trading

23. What role do you see for the government in supporting such a certification scheme?

A Certification scheme, backed by Government, would provide credibility and confidence in renewable gas, incentivise the development of a renewable gas supply, encourage emission reductions, ensure standards, monitoring and other frameworks are fostered.

Carbon Capture Utilisation and Storage

24/25/26/27/28. Various questions concerning CCUS

We support investigation into the potential application of CCUS within a New Zealand setting. CCUS is increasingly recognised in international energy strategies, and it may be economically and technically feasible in New Zealand. If so, this offers potential for helping us meet our emissions budget especially during a transitional period. The use within a New Zealand context is likely to be predominantly for targeted applications and hard to abate areas.

The above would need to be underpinned by a comprehensive analysis on policy settings, risk analysis and the necessary ingredients for its successful introduction. The focus should not only lie with carbon capture – but should also explore the prospects of ‘utilisation’.

3.0 Interim Hydrogen Roadmap

Overall, we support the interim hydrogen roadmap. The paper adeptly recognises the potential opportunities in hydrogen and how they can be effectively leveraged during the transition, integrating into an energy system with high renewables penetration.

Within the Taranaki region, the potential for hydrogen is an integral part of our energy transition as showcased in our [H2 Taranaki Roadmap](#). The strategic landscape with the MBIE document acknowledges the opportunities of hydrogen for regions such as Taranaki – who, through ambition and transferable skills, have become an early mover and catalyst for hydrogen production and ecosystem development in New Zealand.

Given the early technological and market development stage of hydrogen, we encourage the Government to, not only implement a roadmap, but actively enable, bridge and accelerate tangible projects.

The roadmap needs to be bold if Aotearoa is to mobilise action, attract international investors and secure the necessary specialist equipment and supplies from global tech companies when we need them, to advance our decarbonisation goals. Other countries are adopting a more proactive approach e.g. [USA](#), [UK](#), [Germany](#) etc..

Drawing from the consultation document, our specific comments in relation to designated questions are as follows:

Section 1: Hydrogen is emerging as an important part of the future global energy system.

1 Are there other issues we should be considering in our assessment of the strategic landscape for hydrogen in New Zealand?

We agree that hydrogen has an important role to play in New Zealand's energy future helping to lower emissions, and in particular:

- Supporting the decarbonisation of hard-to-abate areas especially in large industry replacing fossil fuel, heavy transport and other targeted applications.
- Contributing to our energy/highly renewable electricity system through its attributes of energy storage and demand response.
- Enhancing energy resilience and the potential to provide distributed energy and storage, and back-up generation, in event of disruption to electricity and fuel as well as options for rural use, which has an important role to play in the New Zealand context.
- Reducing our reliance on imported energy and underpinning the manufacture of green products and services, which supports not only our goals of emission reduction but boosting economic activity, jobs, exports and regional development.

Important to emphasise is that hydrogen offers New Zealand the potential, through its unique properties, to provide flexibility, 'swing' and to add value add across the entire value chain. This means that instead of working within the bounds of limits and domestic demands, the presence of

hydrogen can change the equation through its potential for enabling different forms of integration, thus optionality, industry development, exports, jobs and growth.

Section 2: The role for hydrogen in New Zealand's energy transition

2/3/ Do you agree with our assessment of the most viable use cases of hydrogen in New Zealand's energy transition? **We agree that most viable uses of hydrogen include industrial feedstocks and Power-to-X applications as well as heavy/speciality transport.**

In support of the above, we note:

- Venture Taranaki's concept paper [Power to X: Transforming renewable electricity into green products and services](#).
- Potential contribution to the transition of key industries such as Ballance Agri-nutrients and Methanex, domiciled in the Taranaki region – to ensure they continue to play a key role in a decarbonised New Zealand, and Taranaki economy in the future.
- Heavy transport is an area of opportunity which Taranaki is already advancing as per the Taranaki H2 Roadmap, including involvement in refuelling station development.

Other areas of hydrogen focus include:

- Energy storage and flexible demand-side use.
- Applications in rural, community, decentralised and speciality applications given its unique attributes and flexibility.
- Possibilities for higher-value (as opposed to commodity) applications e.g., future food production, new specialty industries.
- Potential pipeline utilisation

We acknowledge that there are initial challenges in cost, scale, infrastructure and ecosystem development given the early stage of hydrogen development in New Zealand (and globally).

However, these can be recognised and addressed through adoption of a planned approach, leveraging global developments and innovations, and accelerating tangible 'on the ground' initiatives and actions (such as the MBIE hydrogen rebate scheme) The latter can be effectively achieved through partnering with regions such as Taranaki, to actively progress hydrogen development.

4 What other factors should we be considering when assessing the right roles for hydrogen in New Zealand's energy transition?

Note comments above – hydrogen should not be limited to large scale and hard to abate industries, but priority should also be accorded to storage, resilience and specialty applications given the New Zealand context and rural communities, as well as opportunities to leverage our industries and provide value-add exports.

Section 3: Government position and actions

5 Do you agree with our policy objectives? We agree with key policy objectives:

- Ensuring supply can scale up – given our abundance of renewable energy/electricity (e.g., our potential offshore wind industry), there are significant scaling opportunities for hydrogen.
- Bringing forward and supporting early demand – Whilst hydrogen will clearly play a strategic role of critical importance in New Zealand’s decarbonisation journey, immature supply chains and market structures make several applications uneconomic today. Given the early stage of the industry, the Government has a key role to play. This is not only in defining a vision and roadmap, but also for actively enabling and accelerating its development. The Regional Hydrogen Transition Programme is a positive step in this direction. But we encourage the Government to be more ambitious in its support for the industry, as they are internationally. Along with dedicated funding, it also requires a strong focus on creating a world-class regulatory system – to manage risks without stifling a nascent but growing industry.
- Economic development and Just Transitions work – We support these areas of policy alignment. As articulated through our Taranaki H2 Roadmap Taranaki, combined with those of Offshore Wind and P2X, there are opportunities through hydrogen to decarbonise hard to abate areas, enhance our competitiveness and evolve products for export. Taranaki offers specialism, infrastructure, transferable expertise to advance early adoption/utilisation of hydrogen.

In addition to the above key policy objectives – we wish to encourage:

- The importance of cross-government ‘buy in’ for the Hydrogen Roadmap.
- The opportunities for furthering partnerships with regions, such as Taranaki.
- Policies which actively incentivise early adoption and create tangible projects on the ground.

6 Do you agree with our positioning on hydrogen’s renewable electricity impacts and export sector?

Export markets for New Zealand will inevitably develop given the high import demand that will come from countries such as Japan, Singapore and Germany, who simply don’t have resources to produce enough locally.

Exports should not be considered only feasible if New Zealand can produce at costs equal or lower than jurisdictions like the US – New Zealand exports many commodity products today which are higher cost than other markets. We note the conclusions of the EY report that the value-add export scenario offers the highest economic value add for New Zealand.

7 Do you agree with the proposed actions and considerations we have made under each focus area?

- We support the establishment of a government and sector coordination body to help coordinate ongoing action to support hydrogen development.

- Regulatory settings and standards are necessary to provide credibility, confidence/social licence and underpin industry development. Given early adoption is already underway, it is important these are prioritised so as not to impede advancement.
- Building a market for hydrogen – Whilst hydrogen will clearly play a strategic role of critical importance in New Zealand’s decarbonisation journey, immature supply chains and market structures make several applications uneconomic today. Government has a clear role to play in continuing to support this market development, including by bridging commercial constraints in the market’s early development phase and supporting early adopters.
- We support active involvement of the government in building a market for hydrogen including the regional hydrogen transition consumption scheme; helping to build/test early-stage projects that help the wider market to develop; and grants that catalyse end use stage of hydrogen deployment.
- We agree, the Government can also play a practical and influential role through direct purchasing of hydrogen aligned goods and services and future signalling. Government needs to ‘walk the talk’ in relation to hydrogen utilisation and adoption within its own organisations and departments. It can also prescribe low emission supply chains as a prerequisite of its suppliers.
- The introduction of frameworks which enable market trading - verification, tracking and certification of hydrogen and its associated emission intensity - will reaffirm the credibility of our products, both directly and indirectly to consumers and markets.
- Workforce, skills and training need prioritisation. Taranaki can play a key role in this through the transferability of oil and gas skills sets, health and safety through familiarity with hazardous substances and specialist training. Venture Taranaki and our role in workforce development, can feed into a national hydrogen/Government and sector coordination body on this issue.
- Planning and infrastructure must be advanced including linkages with offshore renewable energy developments, port infrastructure, local district and regional planning.

8 Is there any evidence we should be considering to better target actions in the final Hydrogen Roadmap?

The adoption of hydrogen and it’s potential for New Zealand suggests that significantly more new renewable generation may be required than previously contemplated.

It is important to consider linkages with councils e.g., District and spatial planning, opportunities aligned with the potential creation of Renewable Energy Zones; the potential impacts on infrastructure such as the transmission grid and ports, and the evidence that supports how hydrogen development could be more effectively enabled through targeted regions and clusters to maximise so as to catalyse establishment, growth and uptake.

The importance of the role for Government and actions in catalysing hydrogen development is outlined in the 2023 Global Hydrogen Review [report](#).

4.0 Measures for transition to an expanded and highly renewable electricity system

Venture Taranaki is supportive of pursuing a range of measures to achieve an expanded and highly renewable electricity system. Achieving sufficient electricity supply, especially if hydrogen production becomes an important part of the energy solution, will be a challenge. We will need a wide range of tools to achieve our mitigation targets.

On renewable energy zones, we recommend the Government consider how these can work with the regional spatial strategies under the *Spatial Planning Act 2023*. These new regional spatial strategies will need to include indicative locations for infrastructure required to support renewable energy production. There is a strong opportunity for these to work together. To do so will require collaboration between councils, regional development agencies, Transpower, local lines companies and potential generators.

We also recommend that consideration be given to developing local energy transition plans at a community level. These plans can help communities to understand where spare capacity is available within the local network for electrification and where other alternatives may be required to decarbonise. We understand that internationally these have been done in conjunction with local government, and that such a model could work well in New Zealand too.

Finally, we wish to reiterate our commitment to working in partnership with central Government, communities, the private sector and iwi for achieving our emissions reduction goals. The transition to a low emission economy is a significant challenge. Achieving it requires a unified, innovative and collaborative approach.

Drawing from the consultation document, our specific comments in related to designated questions are as follows:

Part 1: Growing Renewable Generation

1/2. Are any extra measures needed to support new renewable generation during the transition?

Yes - There is a clear market gap between market standard offtake agreements and the requirements for financing new projects. Government's role in supporting offtake is critical to bridge this gap – such as auctions for CFD contracts. This will support projects becoming bankable and reduce financing costs. It will enable new projects being developed and will increase competition for the benefit of consumers through lower wholesale power prices.

Part 3: Networks for the Future

27. Do you consider that the balance of risks between investing too late and too early in electricity transmission may have changed, compared to historically?

We agree that the risks in investing too late are now much greater than considered in the past. Such risks could hamper planning and certainty in areas such as e.g., transmission grid capacity, which is

critical for long-term, large-scale renewables to confidently commit. We strongly support a more proactive and strategic approach to network investments. Networks of the future require:

- Forward-looking regulation: Regulatory approaches should transition from being backward-looking to forward-looking to enable investment in a decarbonising future.
- Proactive Investment: Just in time investment will be too late. We stress the importance of making investments that may appear "ahead of time" to ensure a resilient and decarbonised electricity system.

Part 5: Whole-of-system considerations

57. What measures do you consider the government should prioritise to support the transition?

Agree there needs to be closer and more coordinated planning across the system – and with multiple parties – especially in a period of major change to our energy system. This needs to extend to Councils (e.g., to Spatial planning etc), communities (Regional Development Agencies) as well as Government, industry, iwi etc.

58. Are there gaps in terms of information co-ordination or direction for decision-making as we transition towards an expanded and more highly renewable electricity system and meeting our emissions goals? Ensure linkages with Regional Development Agencies – especially Just Transition Regions such as Taranaki, are strengthened. We are working across energy company and industry developments and also considering integration as part of our local energy transition plans.

59. Are there significant advantages in adopting a REZ model, or a central planning model (like the NSW EnergyCo), to coordinate electricity transmission investment in New Zealand? We agree models like a REZ could offer significant benefits for the New Zealand context. Venture Taranaki would be keen to remain informed on progress, explore and advance the merits of a REZ for the Taranaki region.

60. Should MBIE regularly publish opportunities for generation investment to enable informed market decision-making? Agree this could be beneficial. However, it would require additional skillsets in MBIE and right now the focus needs to be on getting the policy settings and framework correct so the current investors can move forward and start generating more renewable energy. The role suggested by MBIE could come later down the track if still required.

61. How should the government balance the aims of sustainability, reliability and affordability as we transition to a renewable electricity system? Whilst electricity may become more expensive as we transition to a more renewable electrical future, encouraging electricity efficiency is an important part of the mix.

Furthermore, providing options and pathways that enable and empower motivated consumers to also generate, share, use and sell their own electricity (become in effect 'pro-sumers') should be added to the above considerations.

We support the removal of barriers to distributed energy resources (DER) uptake, such as the Multiple Trading Relationships pilot with Ara Ake and the Electricity Authority. Reducing barriers would provide iwi and local communities with greater energy resilience and the ability to both consume and produce electricity. This helps with the behaviour change required to better manage energy efficiency.

62. To what extent should wholesale, transmission, distribution or retail electricity pricing be influenced by objectives beyond the (affordability-related) efficiencies achieved by cost-reflective pricing, such as sustainability, or equity? **The framework for the New Zealand Energy Strategy goes beyond the trilemma (above) to additionally encompass a growth/economic development platform. Such consideration should also be included.**

We have no objections to our submission being made public, as per usual MBIE processes.