



## COVERSHEET

|                               |  |                             |                  |
|-------------------------------|--|-----------------------------|------------------|
| <b>Minister</b>               | Hon Simeon Brown   | <b>Portfolio</b>            | Energy           |
| <b>Title of Cabinet paper</b> | Offshore Renewable Energy Regulatory Regime<br>Offshore Renewable Energy Bill: Approval for Introduction | <b>Date to be published</b> | 20 December 2024 |

| <b>List of documents that have been proactively released</b> |   |                                   |
|--|---|-----------------------------------|
| <b>Date</b>  | <b>Title</b>  | <b>Author</b>                     |
| November 2024  | Offshore Renewable Energy Bill: Approval for Introduction   | Office of the Minister for Energy |
| November 2024  | Offshore Renewable Energy Bill: Approval for Introduction<br>LEG-24-MIN-0235  | Cabinet Office                    |
| 13 June 2024   | 2324-3049 Offshore renewable energy regime – offences, penalties, powers and appeals  | MBIE                              |
| 20 June 2024   | 2324-3446 Offshore Renewable Energy regulatory regime – permit variations   | MBIE                              |
| 25 July 2024   | 2324-4013 Offshore renewable energy - update on progress and establishment of a developer working group                                       | MBIE                              |
| 8 August 2024  | 2425-0577 Accelerated timing for Offshore Renewable Energy Bill and Hydrogen Action Plan  | MBIE                              |
| 19 August 2024   | 2425-0725 Engagement with iwi on the offshore renewable energy regulatory regime  | MBIE                              |
| 23 August 2024   | 2425-0230 Offshore renewable energy regulatory regime – decommissioning obligations   | MBIE                              |
| 23 August 2024   | 2324-3448 Offshore renewable energy regulatory regime – transmission infrastructure   | MBIE                              |
| 18 October 2024  | BRIEFING-REQ-0004369 Offshore Renewable Energy Bill – draft Cabinet paper seeking approval for introduction and agreement to related policies | MBIE                              |
| 7 November 2024  | BRIEFING-REQ-0005576 Offshore Renewable Energy Bill – updated Cabinet paper seeking approval for introduction                                 | MBIE                              |
| June 2024  | Offshore Renewable Energy Regulatory Regime: Policy Decisions   | Office of the Minister for Energy |
| June 2024  | Offshore Renewable Energy Regulatory Regime: Policy Decisions Minute of Decision<br>CBC-24-MIN-0041   | Cabinet Office                    |

|          |  |                                   |
|----------|--|-----------------------------------|
| May 2024 | Offshore Renewable Energy Regulatory Regime  | Office of the Minister for Energy |
| May 2024 | Offshore Renewable Energy Regulatory Regime<br>Minute of Decision<br>ECO-24-MIN-0062 | Cabinet Office                    |

**Information redacted**

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

- a. Privacy of natural persons
- b. Confidential advice to Government



## BRIEFING

### Engagement with iwi on the offshore renewable energy regulatory regime

|                                 |                |                         |           |
|---------------------------------|----------------|-------------------------|-----------|
| <b>Date:</b>                    | 15 August 2024 | <b>Priority:</b>        | Medium    |
| <b>Security classification:</b> | In Confidence  | <b>Tracking number:</b> | 2425-0725 |

| Action sought                                 |  |                |
|---|--|----------------|
|   | Action sought  | Deadline       |
| Hon Simeon Brown<br><b>Minister of Energy</b> | <b>Approve</b> iwi engagement approach to inform the offshore renewable energy regulatory regime | 19 August 2024 |

| Contact for telephone discussion (if required) |   |             |                            |             |
|--|---|-------------|----------------------------|-------------|
| Name   | Position  | Telephone   |                            | 1st contact |
| Melanee Beatson                                | Manager – Offshore Renewable Energy                 | 04 896 5789 | Privacy of natural persons |             |
| Rebecca Heerdegen                              | Policy Director                                     | 04 901 1564 |                            |             |
| Royal Hepi                                     | Principal Advisor – Energy Transitions Partnerships | 04 901 1215 | -                          |             |

| The following departments/agencies have been consulted |
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|  |

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



# BRIEFING

## Engagement with iwi on the offshore renewable energy regime

|                                 |                |                         |           |
|---------------------------------|----------------|-------------------------|-----------|
| <b>Date:</b>                    | 15 August 2024 | <b>Priority:</b>        | Medium    |
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### Purpose

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This briefing seeks your approval for further engagement with iwi on the offshore renewable energy (ORE) regime, from August, in order to support rapid development of regulations, operational policy and guidance.

Engaging with iwi now, as part of the regulatory and operations design phase, will:

- clarify the scope of the Government's proposals, and therefore options for iwi on how they engage with developers
- support the design of the system within your preferred timelines,
- enable a more rapid assessment of applications by setting clear expectations for all parties.

The iwi engagement would be complementary to the developer working group [2425-4013 refers], with both supporting the detailed design phase for the regime, and enabling all parties to be ready for the first feasibility permit round.

### Recommended action

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The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that MBIE has previously engaged with a pan-iwi group to discuss offshore renewable energy, including:
- a. Economic models associated with the regime.
  - b. Existing rights & interests
  - c. Permitting criteria
  - d. Decision-making models
  - e. Environmental data collection

*Noted*

- b **Note** that iwi have a number of rights and interests recognised in Treaty settlements in the areas identified as having potential for offshore wind, including specific rights in relation to the Waikato River and a pending Marine and Coastal Area High Court case for Taranaki iwi;

*Noted*

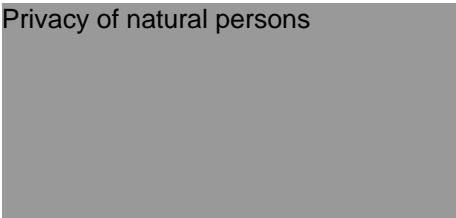
- c **Note** that continued engagement with iwi will help set expectations and support a constructive approach to iwi, developer, and Crown working together through the different phases of offshore wind projects, including regime design, permitting, feasibility, and operations;

*Noted*

- d **Agree** that MBIE re-engage with the pan-iwi group from late August, to support development of relevant regulations, operational policy, and guidance for the offshore renewable energy regime.

*Agree / Disagree*

Privacy of natural persons



Rebecca Heerdegen  
**Policy Director, Energy Markets**  
Building, Resources and Markets, MBIE

Hon Simeon Brown  
**Minister of Energy**

15 / 08 / 2024

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## Background

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### **Previous engagement with iwi looked at a wide scope of issues and options, which informed advice on shaping the regime**

1. Ministers and officials have met with interested iwi and hapu during development of the regime. This included a suite of 5 workshops in late 2023 with a pan-iwi group, including the eight Taranaki iwi, Waikato Tainui, Maniopoto, Ngāti Whātua Ōrākei and Ngāi Tahu. This group also met with you in March this year. We have discussed various aspects of the offshore renewable regulatory regime - including the following:
  - a. Economic models associated with the regime.
  - b. Existing rights & interests
  - c. Permitting criteria
  - d. Decision-making models
  - e. Environmental data collection

### **Government has made decisions on key aspects of the regime**

2. The Government has decided that ORE will not be subject to royalties, nor should the sector receive any form of subsidy (including contract for difference). Rather the focus is on:
  - a. enabling private investment through a clear regulatory regime
  - b. avoiding adding additional costs to what is already an expensive form of generation.
3. The Government has also directed that iwi engagement within the regime be modelled on the Resource Management Fast Track legislation. This requires developers to engage with relevant māori groups, and consultation with iwi by the regulator when considering permit applications.

### **Developers are already engaging with iwi groups**

4. As noted in the industry report on national impacts of offshore wind, “developers are keen to work with tangata whenua to explore offshore wind opportunities together”. The report goes on to say “the iwi-hapū most likely to be impacted by offshore wind in New Zealand are already engaging with developers and the Crown”.
5. Areas that the sector has identified as potential ways to share the economic benefit include:
  - a. The use of iwi-Māori labour and businesses in development and operation
  - b. Ensuring opportunities for economic, educational and social development for iwi, hapū and whānau so mana is maintained throughout the project lifetime
  - c. Providing opportunities for iwi-Māori to have representation at a governance level, allowing involvement in decision-making
  - d. The development of revenue-sharing agreements or investment initiatives that contribute to the overall wellbeing of Māori communities.
6. The report also states that the industry sees māori input into the regulatory regime and decision-making as important to it’s overall success. The framing of the draft legislation leaves scope for developers to consider their best engagement options. Early communication

with the pan-iwi group will assist this engagement, and support a more rapid application round.

### **Iwi engagement would be complementary to the developer working group**

7. You have approved the establishment of an offshore renewable energy developer working group in July 2024 [2324-4013 refers]. The purpose of the group is to provide technical expertise to support and speed up development of regulations and implementation material to enable opening of the first round as soon as possible after the Bill is passed. Iwi engagement would be complementary to the technical input this group will provide, including establishing good practice guidance for developer and iwi engagement.

### **Re-engaging with iwi to enable good engagement with developers, and support rapid assessment processes**

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8. We would like to re-engage with the pan-iwi group on the detailed design phase of work on the regime, to support rapid development of regulations and supporting information for developers. This will entail:
  - a. Communicating decisions about the role of iwi in permit assessment rounds
  - b. Working with iwi on shaping operational policy on consultation for decision-making purposes
  - c. Working with iwi on guidance, so that developers know what good engagement looks like, both from an iwi perspective and for the regulator's assessment of their application

### **Engaging now will support a more rapid development phase, both readiness for applicants, and iwi consultation on decision-making**

9. An early engagement approach is likely to support a more rapid pathway through to issuing feasibility permits. With clear expectations for all parties, established well in advance, there will be fewer surprises and time to prepare for specific parts of the process. This includes:
  - a. Given the decisions the Government has taken, any economic benefits for iwi are more likely to come through bilateral discussions between iwi and developers. Ideally, these would occur prior to the feasibility permit round.
  - b. The nature of the decision-making process will have implications for resourcing, particularly for iwi and the regulator, and so advance notice will support that.
10. Early discussions are likely to set up the system for success longer term as well, with constructive relationships established between all parties.

### **Communicating government policy decisions will also support readiness**

11. During the series of workshops noted above, iwi made specific proposals for consideration:
  - a. *Sharing economic benefits derived from wind generation* through, for example, sharing royalties.
  - b. *Board decision-making on permits* (including iwi representation): Iwi raised the option of a board-style approach to decision-making, as a means to give effect to a partnership arrangement.
12. Since then, Government has made about the regime as a whole. We consider communicating these decisions as soon as possible will be important, as some of these

options have been removed and timely advice on this will allow iwi to re-orient their approach.

### **Proposed approach and indicative timing**

13. We would like to commence engagement this month with the pan-iwi group. Engagement will entail:
  - a. An outline of government decisions to date
  - b. Key areas for discussion/input, particularly input to operational policy/guidance on:
    - i. Developer engagement with iwi
    - ii. Consultation between the regulator and iwi to inform permit decisions
14. Beyond that, information provided will be publicly available. Subject to discussions with the pan-iwi group, we anticipate that engagement will include a workshop and written feedback.
15. We will provide you with updates on engagement.

### **Risks**

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16. Confidential advice to Government  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]
17. Other risks if we do not progress iwi engagement in a timely manner include:
  - a. Limited or late guidance on iwi engagement could hamper preparation of applications.
  - b. Developer discussions with iwi on options for sharing economic benefits may be focussed in the wrong areas (where those options no longer exist).
  - c. Iwi may not be well prepared for their role in the assessment process.
  - d. Without a re-set of expectations at an early point, there may be delays as iwi re-orient their aspirations within the refined scope of the regime.

### **Next steps**

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18. Following your approval to consult, officials will contact members of the pan-iwi group on how best to re-engage.