







Our Reference F22/55/007-D25/2062

## Taranaki Mayoral Forum

23 January 2025

## Taranaki Mayoral Forum Submission: Offshore Renewable Energy Bill

- 1. The Taranaki Mayoral Forum welcomes the introduction of the Offshore Renewable Energy Bill (the Bill) and the commitment of the Government to its advancement. Through its people, natural resources including world-class offshore wind resources and location, Taranaki has the potential to be a centre of renewable energy excellence. An effective and efficient offshore wind regime is a core component of unlocking this.
- 2. We support the Bill and the direction it takes on key policy matters. In particular:
  - a. The proposed two-step permitting model. The feasibility permit stage will provide developers with the surety needed to undertake robust investigations to inform commercial permitting and environmental consents.
  - b. The strong focus on ensuring there are robust decommissioning provisions and associated financial securities. In developing these securities, we note the importance of a system that allows a developer to build up the security over the life of the asset.
  - c. That the Bill does not duplicate the Resource Management Act 1991 (RMA) and the Exclusive Economic Zone and Continental Shelf 2012 Act (EEZ Act) by including environmental related matters. It is appropriate environmental considerations are dealt with through these other more specific frameworks.
  - d. The requirement for prospective developers to consult closely with mana whenua throughout the process.
  - e. The flexible model for the declaration of safety zones around offshore renewable energy infrastructure. It is important that safety zones are appropriate to the specifics of the development.
  - f. That the regime does not include any provision for royalties. The offshore renewable energy industry in New Zealand is still nascent. Royalties or other revenue gathering mechanisms would serve to disincentivise investment.
- 3. We also wish to emphasize there are other enabling factors that require attention if New Zealand's offshore wind potential is to be realised. Without addressing these other barriers, there is a real risk the work on the Bill is wasted.
- 4. We are supportive of more integrated consenting pathways across the RMA and EEZ Act. The Fast Track Approvals Act will provide one pathway for such consideration. However, considering the scale and novelty of offshore wind in New Zealand, providing developers efficient and effective options outside the fast track regime is essential. This will better give applicants and communities the space to assess the environmental impacts of offshore wind.
- 5. A critical gap in New Zealand's marine regime remains how competing uses of marine space are determined. Under the Bill, a feasibility permit grants the holder the exclusive right to apply for a commercial permit for offshore renewable energy infrastructure. Yet it would seemingly be possible for another activity, such as seabed mining, to be granted consent to operate within the same area. Further work is required to provide a robust mechanism for resolving these conflicts.
- 6. We wish to also emphasise the crucial nature of port infrastructure. The Government needs to ensure there is an appropriate enabling environment for long-term and strategic port development. There is also the issue of port operators needing certainty from developers before investing in new infrastructure. While developers need certainty from port operators that the right infrastructure exists before they and others invest. Government could play an important role in resolving this chicken and egg issue.

- 7. Finally, The Taranaki Mayoral Forum calls on the Government to keep an open mind on potential price stability mechanisms. Tools such as contracts for difference can play an integral role in giving investors the confidence to commit the substantial capital needed to finance offshore wind facilities. These tools are relatively immature in New Zealand, and further work is needed to explore them. If after robust investigation such tools were found to be economically warranted, their application would not be needed for many years hence.
- 8. The potential benefits of offshore wind are not about what they can offer New Zealand today. It is about ensuring New Zealand has a secure, equitable and sustainable energy sector in ten years' time. The Bill is a welcome and commendable step on this journey. We look forward to working with the Government as the Bill progress and in addressing the other matters raised in this submission.
- 9. We wish to be heard in support of this submission.

Yours faithfully

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