Meat Industry Association of New Zealand (Inc)

Submission on Accelerating renewable energy and energy efficiency

28 February 2020

Introduction

1. The Meat Industry Association ('MIA') is the voluntary trade association representing New Zealand meat processors, exporters and marketers. MIA members represent 99 percent of domestic red meat production and export.

2. The red meat industry accounts for over 92,000 jobs, nearly $12 billion in industry value. The meat industry is New Zealand's second largest goods exporter with $9 billion in annual exports, making the industry a critical part of the New Zealand economy.

3. Meat processing is New Zealand's largest manufacturing industry directly employing some 20,000 people in 60 processing plants, mainly in the regions. In many regional centres, the meat processor is the largest single employer. It is a central feature of the New Zealand economy and New Zealand's regional social fabric.

4. New Zealand meat is increasingly positioned as a "pure, natural product", and stressing the nutritional value of red meat and the comparatively good environmental impact of New Zealand's pastoral based red meat production.

5. The meat processing industry relies heavily on coal. The consumption figures for meat manufacturing for 2018 are:

Type	**Tons**
Bitumous coal	9987
Sub-Bitumous	35,085
Lignite	41,861
Total	86,993

6. Coal is an important part of meat processing operations, especially in the South Island (where gas is not available). Coal is used to produce thermal heating, which provides the very hot water required to wash, clean and sterilise processing plants. Coal is also used for the rendering of animal product in boilers and dryers.

7. The MIA supports the overall thrust of Government policies to achieve gross reductions in fossil fuels by 2050, as part of its Paris Agreement commitments. New Zealand meat processors see having an environmentally sustainable industry as crucial for the future positioning of our products, so we support moving from coal to electricity and bio-mass.

8. However, we believe that the Government does not appreciate the enormous challenge that meat processors face in having to convert coal-fired boilers (often in old plants) to what will probably some kind of mix of electric heat pump and biomass – a very new and relatively untested technology – in just 10 years. The likely cost, which our members estimate to total more than $80 million to convert, is an excessive burden on an industry that is already facing significant headwinds.

9. Further, this challenge is being placed unfairly on meat processors, who are unusually reliant on low temperature coal-fired boilers, more than almost any other industry. It is unfair to expect meat processors to bear the burden of a regime to transform the industry in 10 years, while other fossil fuel users continue to operate without the same restrictions. For this reason, because of this inherent unfairness of the policies being proposed, we believe that the Government should provide considerable technical and financial support to meat processors as they make the transition to a zero carbon industry 20 years ahead of the rest of the economy.

Seeking direct policy solutions to carbon emissions

10. The MIA generally supports moves by the Government to more direct policies to address the key problem of reducing New Zealand's emissions – gross reductions in fossil fuels.

11. However, policies which seek gross reductions in fossil fuels must be applied fairly.

Option 1.1 Corporate Energy Transition Plans

12. MIA opposes option 1.1. MIA does not understand how a requirement to have mandatory Corporate Energy Transition Plans will achieve emissions reductions. On the other hand, it is likely to be a compliance burden.

13. MIA opposes public reporting of such plans. These are commercially sensitive, including likely production data. It is not explained how public reporting would enable reductions – energy use would need to be married with production data to produce any meaningful metric, and meat processors produce a wide variety of products. For example, a plant that undertakes further processing and "value add" is likely to have higher emissions than a plant that simply slaughters and freezes carcases – reporting on each plant's gross energy use would send the public misleading information.

14. Businesses with energy costs of greater than $2 million a year are likely to already have internal reporting on energy use.

15. Plans are likely to be continually changing according to the business climate and new technologies.

Option 1.2 Electrification information package and feasibility studies

16. MIA supports this option. Transparent information on electricity network will assist in business investment decisions and better policy.

Option 1.3 Benchmarking in food processing

17. MIA opposes this option as it applies only to food processors. It is unfair to select only one sector of the economy, and not others. Nor does the document explain why food processing in particular should be benchmarked and not other industries.

18. Many MIA members already undertake benchmarking. We note that plants of competing companies are not identifiable, and it is a commercial matter. That companies are able to use benchmarking is because they understand the particular circumstances and contexts of particular plants, and are able to compare “apples with apples” (i.e. plants of similar size and production type). A publicly available benchmark for all processors would not allow that.

19. If meat processors are expected to undertake benchmarking, then all other businesses should be subject to the same requirement.

Option 2: Developing markets for biomass use

20. MIA supports policies which create smoother and more transparent markets for biomass. In particular, decisions to invest in biomass require certainty of long-term supply – information on future supply of wood is critical.

Option 3:1 Technology diffusion and capability-building

21. MIA strong supports option 3.1. Conversion from coal-fired boilers and dryers to alternative technologies (biomass, electric heat pump...) is going to be extremely challenging for industry.

22. Without support for technology diffusion and capability-building, businesses will instead default to the lowest-cost option (i.e. gas or diesel) rather than the lowest emission option.

23. The current fund is simply too small for the kind of large scale transition the Government is demanding.

24. We seek further information and engagement from the Government on what it intends to do to increase support for conversion of coal-fired boilers to alternative technologies.

Option 3.2 Industrial innovation and transitioning to a low-carbon future

25. MIA supports the general proposal for a partnership between Government and emissions-intensive and highly integrated industries.

26. The meat industry is a highly regulated industry for other areas (such as food safety). While recognising the role of the regulator, best outcomes are achieved through partnership between industry and the regulator. The meat industry has experience of such approaches, and looks forward to applying this approach to decarbonising the meat processing industry.

Option 4.1 Introduce a ban on new coal-fired boilers for low and medium temperature requirements

27. The ban on new coal-fired boilers is only on low and medium temperature requirements. This gives a free-ride for high temperature requirements.

28. A ban on new coal fired plant is likely to affect several large processing sites as replacements will be required by 2030. Replacement biomass boilers are more expensive than coal, with greater fuel storage and handling cost, as wood boilers burn about three times the fuel volume compared to coal. Rough estimates from the sector indicate that the additional cost of biomass boilers relative to coal-fired boilers would be tens of millions of dollars.

29. There will be particular problems for rendering sites, as getting to the higher temperatures require thermal generation of coal or biomass as electricity is not cost-efficient to do so.

30. The ban is an unnecessarily blunt instrument that may have perverse consequences. For example, it will prevent introduction of lower emission boilers that use a mix of coal and biomass (which could replace older coal-fired boilers). It could prevent introduction of lower-emission systems that use new electric heat pumps combined with some coal-fired thermal generation in order to achieve higher temperatures. The purpose of the policy is to reduce emissions – rather than a complete ban, we recommend the ban is on all coal-fired boilers where emissions are not significantly reduced.

Option 4.2 Require existing coal-fired process heat equipment supplying end-use temperature requirements below 100°C to be phased out by 2030.

31. The ban on low temperature requirements by 2030 is unfair to users of low-temperature systems, but leaves medium and high temperature systems free to continue to operate.

32. A 2030 target for coal-fired low temperature boilers is also inconsistent with the Government's own target for New Zealand to be net-zero carbon emissions by 2050. Meat processors with coal-fired boilers are being asked to achieve gross-zero reductions within 10 years, while the rest of the economy gets 30 years (and even then carbon emissions can be offset).

33. A total coal ban would incur very significant costs on the industry. Coal is used because gas is not available This would mean replacement with either biomass or electricity. Wood fuel prices are currently comparable with coal, in energy terms. However, there is likely to be significant competition for limited wood supplies so there could be increased fuel costs. MIA members estimate this would be cost tens of millions in conversion of existing coal-fired boilers to biomass, and additional annual operating costs. Many of the South Island sites (but also some in the far north) are in areas where wood chip supplies are likely to be in short supply, making biomass unfeasible.

34. Direct electrical generation is possible but has high operating costs – at about four time the cost of thermal fuels. Conversion of coal burning sites to electrically heated boilers would increase operating costs by well over $10 million a year.

35. Additionally, the national electrical reticulation is not capable of meeting the demand for large electrical heated boilers. These is going to be significant construction of new electricity networks, and there will be difficulties in connecting sites moving to electrical heating by 2030.

36. We note that other alternative technologies are becoming available for hot water supply. Many are still in development, and putting them into large sites by 2030 will be a challenge. Basic conservation is, of course, the first step, and could reduce the thermal demand by 20-30%. Heat recovery from refrigeration plant is the next most

economic heat source, saving about 10% demand but costing several million dollars over the whole industry.

37. Heat pumping, using the refrigeration plant as a heat supply, would be the most efficient method, and could reduce demand by a further 25%. But this would be an extremely costly option. After this the remaining thermal demand is modest and should be able to be supplied by smaller bio-mass boilers.

38. Many boilers in plants supply steam, that is used to generate hot water. Replacement boilers would be hot water only so changing these boilers would require significant infrastructure change as there are other plant systems, like room heating, that is done with steam and the equipment would not be suitable for hot water conversion. Getting this infrastructure replacement in often very large and old plants stands to be extremely costly.

Section 5: Boosting investment in energy efficiency

39. The document (page 46) states that the ETS sets a cap on emissions, and that the total volume of emissions is capped in advance. This is not correct, and highly misleading. In fact, the total volume of gross emissions is not capped, but can be offset by planting forest – a method which does not actually reduce CO2 emissions but temporarily offsets them.

6.1 Introduce a levy on consumers of coal to fund process heat activities

40. The MIA opposes this proposal. The entire purpose of the ETS is to place a price on emissions. What is being proposed is a particular levy on coal on top of that price.

41. There is already a levy on coal production. A levy at point of consumption is simply duplication.

42. If there is a coal levy, then it should be on the same basis as all other fuels, funding equivalent activities.

8 Renewable electricity certificates and portfolios

43. The MIA opposes this proposal. The point of the ETS is to create price incentives for energy users to move away from fossil fuels.

44. The costs of administration and compliance of such a potentially complex scheme are not known but are likely to be very high.

45. Given that the electricity sector is already substantially renewable, we wonder at the effectiveness of such a scheme.

46. If the Government is intent on encouraging renewable energy investment, then there is already a tool available – funds from the ETS are used to fund new renewable energy investment and companies moving from fossil fuels to renewable energy.

Summary

47. While MIA generally supports policies to achieve gross reductions in CO2 emissions, the policies should be based on robust economic analysis.

48. MIA supports Government support for technology diffusion and capability-building, and a partnership approach between industry and Government in mapping out a decarbonised future industry.

49. MIA opposes many of the proposed policies as inherently unfair –
    - Singling out food processors for benchmarking, and not all businesses, with no justification;
    - Limits on low-temperature boilers but not medium or high temperature users.

50. A 2030 phase-down target for coal-fired low temperature boilers is inconsistent with the Government's 2050 target, and forces drastic actions onto meat processors, while other fossil fuel users have only to meet a net-zero target by 2050.

51. The blunt instrument of an immediate ban on all new coal-fired boilers may have unintended consequences.

52. A phase-out of all low temperature coal-fired boilers by 2030 is going to be extremely challenging from a practical point of view. The rapid timeframe may prevent adoption of the best long-term solutions.

53. Conversion from coal to electricity/biomass by 2030 is going to be extremely costly. MIA members have provided advice to MIA on what they believe the likely capital costs of converting coal-fired boilers to heat pump/biomass mix. In total we except that conversion of coal-fired boilers to alternative heating (either direct electric, heat-pump, or entirely biomass) is going to cost at least $80 million by 2030.

54. Given that meat processors, in having to phase down all low-temperature coal-fired boilers by 2030, are being asked to do more than other parts of the economy, then it is only right that processors receive considerable Government support in making this challenging transition.

MIA Contact

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Meat Industry Association of New Zealand (Inc)

28 February 2020

MIA members and affiliate members as at October 2019

Members	Affiliate members
Advance Marketing Ltd	Abattoirs Association of New Zealand
AFFCO New Zealand Ltd	AgResearch Ltd
Alliance Group Ltd	Alfa Laval New Zealand Ltd
Ample Group Ltd	AON New Zealand Ltd
ANZCO Foods Ltd	Auspac Ingredients Pty Ltd
Arrow Commodities (NZ) Ltd	Centreport Ltd
Auckland Meat Processors Ltd	CMA-CGM Group Agencies (NZ) Ltd
Bakels Edible Oils (NZ) Ltd	Cooltranz 2014 Ltd
Ballande New Zealand Ltd	Conveyor Industries Ltd
Blue Sky Meats (NZ) Ltd	Direct Fats and Oils Ltd
BX Foods Ltd	Foodcap International Ltd
Columbia Exports Ltd	G-Tech New Zealand Ltd
Crusader Meats New Zealand Ltd	Haarslev Industries Ltd
Davmet (New Zealand) Ltd	Hamburg-Sud New Zealand Ltd
Farmlands Mathias International Ltd	Hapag-Lloyd
Fern Ridge Ltd	Ibex Industries Limited
Firstlight Foods Ltd	**Intralox Ltd**
GrainCorp Commodity Management NZ Ltd	Jasol
Greenlea Premier Meats Ltd	Kemin Industries NZ Ltd
Harrier Exports Ltd	Liqueo (HB) Ltd
Integrated Foods Limited	Maersk NZ Ltd
Kintyre Meats Ltd	MJI Universal Pte Ltd
Lowe Corporation Ltd	Oceanic Navigation Ltd
Midland International Ltd	Port of Napier Ltd
NZ Natural Beef and Lamb Ltd	Port Otago Ltd
Ovation New Zealand Ltd	Pyramid Trucking Ltd
Prime Range Meats Ltd	Rendertech Ltd
Progressive Meats Ltd	Rockwell Automation (NZ) Ltd
Provenance Meat (NZ) Ltd	SCL Products Ltd
PVL Proteins Ltd	Scott Technology Ltd
SBT Group Ltd	Sealed Air (New Zealand)
Silver Fern Farms Ltd	Vero Insurance New Zealand Ltd
Standard Commodities NZ Ltd	Wiley New Zealand Limited
Taylor Preston Ltd	
Te Kuiti Meat Processors Ltd	
UBP Ltd	
Value Proteins Ltd	
Wallace Group	
Wilbur Ellis (NZ) Ltd	
Wilmar Gavilon P ty Ltd	

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Page 1: Introduction

Q1 Name (first and last name)

Paul Goldstone

Q2 Email

paul.goldstone@mia.co.nz

Q3 Is this an individual submission, or is it on behalf of a group or organisation?

On behalf of a group or organisation

Q4 Which group do you most identify with, or are representing?

Energy intensive and highly integrated industry

Q5 Business name or organisation (if applicable)

Meat Industry Association

Q6 Position title (if applicable)

Policy Manager

Q7 Important information about your submission (important to read)The information provided in submissions will be used to inform the Ministry of Business, Innovation and Employment's (MBIE's) work on Accelerating renewable energy and energy efficiency.We will upload the submissions we receive and publish them on our website. If your submission contains any sensitive information that you do not want published, please indicate this in your submission.The Privacy Act 1993 applies to submissions. Any personal information you supply to MBIE in the course of making a submission will only be known by the team working on the Accelerating renewable energy and energy efficiency.Submissions may be requested under the Official Information Act 1982. Submissions provided in confidence can usually be withheld. MBIE will consult with submitters when responding to requests under the Official Information Act 1982.We intend to upload submissions to our website at www.mbie.govt.nz. Can we include your submission on the website?	**Yes**
Q8 Can we include your name?	**Yes**
Q9 Can we include your organisation (if submitting on behalf of an organisation)?	**Yes**
Q10 All other personal information will not be proactively released, although it may need to be released if required under the Official Information Act. Please indicate if there is any other information you would like withheld.	**Respondent skipped this question**

Page 2

Q11 Where are you located?	**Respondent skipped this question**
Q12 In what region or regions does your organisation mostly operate?	**All of New Zealand**

Page 3: Areas you wish to provide feedback on

Q13 Part A relates to process heat.Please indicate which sections, if any, you would like to provide feedback on.	**Section 1: Addressing information failures,** **Section 2: Developing markets for bioenergy and direct geothermal use** **,** **Section 3: Innovating and building capability,** **Section 4: Phasing out fossil fuels in process heat,** **Section 5: Boosting investment in renewable energy and energy efficiency technologies** **,** **Section 6: Cost recovery mechanisms**
Q14 Part B relates to renewable electricity generation. Please indicate which sections, if any, you would like to provide feedback on.	**Section 7: Enabling renewables uptake under the Resource Management Act 1991** **,** **Section 8: Supporting renewable electricity generation investment**

Page 4: Section 1: Addressing information failures

Q15 Option 1.1 would require large energy users to report their emissions and energy use annually, publish Corporate Energy Transitions Plans and conduct energy audits every four years.Do you support this option?	**No - I do not support this option**

Q16 Please explain your answer

Impracticable given diversity of the sector.

Q17 Which parts (set out in Table 3) do you support?	**Respondent skipped this question**
Q18 Please explain your answer	**Respondent skipped this question**
Q19 What public reporting requirements (listed in Table 3) should be disclosed?	**Respondent skipped this question**
Q20 In your view, should businesses be expected to include transport energy and emissions in these reporting requirements?	**Respondent skipped this question**
Q21 For manufacturers: what will be the impact on your business to comply with the requirements?	**Some impact**

Q22 Option 1.1. Suggests that requirements to publish Corporate Energy Transition Plans should apply to large energy users, and propses defining large energy users as those with an annual energy spend (purchased) of greater than $2 million per annum.Do you agree with this definition?

No

Q23 If you selected no, please describe what in your view would be an appropriate threshold to define ‘large energy users’.

Respondent skipped this question

Q24 Is there any potential for unnecessary duplication under these proposals and the disclosures proposed in the MBIE-Ministry for the Environment discussion document Climate-related Financial Disclosures – Understanding your business risks and opportunities related to climate change, October 2019?

Respondent skipped this question

Page 5: Section 1 - Option 1.2: Electrification information package and feasibility studies

Q25 Do you support the proposal to develop an electrification information package?

Yes

Q26 Would an electrification information package be of use to your business?

Yes

Q27 Do you support customised low-emission heating feasibility studies?

Yes

Q28 In your view, which of the components should be scaled up and/or prioritised?

regularly publishing information on electricity reliability for large sites	**Scaled up**
providing information about ways to increase reliability and resilience of electrically- supplied plant and systems	**Prioritised**
co-funding low-emission heating feasibility studies for EECA’s business partners	**Prioritised**

Q29 Would a customised low-emission heating feasibility study be of use to your business?

Respondent skipped this question

Q30 Please describe any components other than those identified that could be included in an information package.

Respondent skipped this question

Page 6: Section 1 - Option 1.3: Provide benchmarking information for food processing industries

Q31 Do you support benchmarking in the food processing sector?	**No**
Q32 Would benchmarking be suited to, and useful for, other industries, such as wood processing?	**Respondent skipped this question**
Q33 Do you believe government should have a role in facilitating this or should it entirely be led by industry?	**Should be entirely led by industry**

Q34 Please explain your answer

Singling out food processing and not other industry is unfair.
Benchmarking diverse production (even within a single industry) is often impracticable, and would be without critical context.
Benchmarking is done commercially and in confidence with each other - companies are able to use benchmarking is because they understand the particular circumstances and contexts of particular plants, and are able to compare “apples with apples” (i.e. plants of similar size and production type). Public benchmarking would not do this.

Page 7: Section 2: Developing markets for bioenergy and direct geothermal use

Q35 Do you agree that some councils have regional air quality rules that are barriers to wood energy?	**Neither agree nor disagree**
Q36 Please provide examples of regional air quality rules that you see as barriers to wood energy. Please also note which council's plan you are referring to.	**Respondent skipped this question**
Q37 Do you agree that a National Environmental Standards for Air Quality (NESAQ) users’ guide on the development and operation of the wood energy facilities will help to reduce regulatory barriers to the use of wood energy for process heat?	**Neither agree nor disagree**
Q38 What do you consider a NESAQ users’ guide should cover? Please provide an explanation if possible.	**Respondent skipped this question**
Q39 Please describe any other options that you consider would be more effective at reducing regulatory barriers to the use of wood energy for process heat.	**Respondent skipped this question**
Q40 In your opinion, what technical rules relating to wood energy would be better addressed through the NESAQ than through the proposed users’ guide (option 2.1)?	**Respondent skipped this question**

Page 8: Section 2 - continued: Developing markets for bioenergy and direct geothermal use

Q41 In your view, could the Industry Transformation Plans stimulate sufficient supply and demand for bioenergy to achieve desired outcomes?	**Respondent skipped this question**
Q42 What other options are worth considering?	**Respondent skipped this question**
Q43 Is Government best placed to provide market facilitation in bioenergy markets?	**Respondent skipped this question**
Q44 How could Government best facilitate bioenergy markets?Please be as specific as possible, giving examples.	**Respondent skipped this question**
Q45 In your view, how can government best support direct use of geothermal heat?	**Respondent skipped this question**
Q46 What other options are worth considering?	**Respondent skipped this question**

Page 9: Section 3: Innovating and building capability

Q47 Do you agree that de-risking commercially viable low-emission technology should be a focus of government support on process heat?	**Strongly agree,** Please explain your answer: If Government intends to single out particular fossil-fuel use for phasing down (while not doing the same for other fossil fuels), then those users should be assisted to do so.
Q48 Do you agree that diffusing commercially viable low-emission technology should be a focus of government support on process heat?	**Strongly agree**
Q49 Is Energy Efficiency and Conservation Authority (EECA) grant funding to support technology diffusion the best vehicle for this?	**Yes**
Q50 For manufacturers and energy service experts: would peer learning and lead to reducing perceived technology risks?	**Respondent skipped this question**
Q51 For manufacturers and energy service experts: would on-site technology demonstration visits lead to reducing perceived technology risks?	**Respondent skipped this question**
Q52 Is there a role for the Government in facilitating this?	**Yes**

Page 10: Section 3 (continued): Innovating and building capability

Q53 For emissions-intensive and highly integrated (EIHI) stakeholders: What are your views on our proposal to collaborate to develop low-carbon roadmaps?	**Respondent skipped this question**
Q54 Would low-carbon roadmaps assist in identifying feasible technological pathways for decarbonisation?	**Respondent skipped this question**
Q55 What are the most important issues that would benefit from a partnership and co-design approach?	**Respondent skipped this question**
Q56 What, in your view, is the scale of resourcing required to make this initiative successful?	**Respondent skipped this question**

Page 11: Section 4: Phasing out fossil fuels in process heat

Q57 Do you agree with the proposal to ban new coal-fired boilers for low and medium temperature requirements?	**Strongly disagree**
Q58 Do you agree with the proposal to require existing coal-fired process heat equipment for end-use temperature requirements below 100 degrees Celsius to be phased out by 2030?	**Strongly disagree**
Q59 Referring to Question 56 - is this ambitious or is it not doing enough?	Please explain your answer: Meat processors accept the need to phase down use of coal. However, the proposals single out (a) just coal, and not other fossil fuels; and (b) single out low temperature boilers, and not medium or high users. This is inherently unfair.
Q60 For manufacturers: what would be the likely impacts or compliance costs on your business of a ban on new coal-fired process heat equipment?	**Respondent skipped this question**

Q61 For manufacturers: what would be the likely impacts or compliance costs on your business of requiring existing coal-fired process heat equipment supplying end-use temperature requirements below 100°C to be phased out by 2030.

Very significant. Replacing coal-fired boilers in often old plants will be extremely challenging. While there is one small plant trialing a high temperature heat pump, this is new technology. Even then, high temperature heat pumps will require either diesel or biomass to achieve heats needed for meat processing. To undertake this by 2030 is going to be a major challenge for the industry.
The cost of this is likely to be extremely significant - our members estimate about $80 million.

Q62 Could the Corporate Energy Transition Plans (Option 1.1) help to design a more informed phase out of fossil fuels in process heat?

Please explain your answer:
Transition from coal to renewable energy is going to be a commercial matter for individual companies, and heavily reliant on unknowns such as state of heat pump technology, electricity network, availability of biomass, etc. This will be part of capital investment planning by all commercial companies.

Q63 Would a timetabled phase out of fossil fuels in process heat be necessary alongside the Corporate Energy Transition Plans?

Respondent skipped this question

Q64 In your view, could national direction under the Resource Management Act (RMA) be an effective tool to support clean and low greenhouse gas-emitting methods of industrial production?

Respondent skipped this question

Q65 If yes, how?

Respondent skipped this question

Q66 In your view, could adoption of best available technologies be introduced via a mechanism other than the RMA?

Yes,
Please explain your answer:
Subsidy of plants moving to untested renewable technologies.

Page 12: Section 5: Boosting investment in energy efficiency and renewable energy technologies

Q67 Do you agree that complementary measures to the New Zealand Emissions Trading Scheme (NZ-ETS) should be considered to accelerate the uptake of cost-effective clean energy projects?

Neither agree nor disagree

Q68 Would you favour regulation, financial incentives or both?

both,
Please explain your answer:
Should be applied equitably to all fossil fuel users, and not just low temperature coal users.

Q69 In your view what is a bigger barrier to investment in clean energy technologies, internal competition for capital or access to capital?

access to capital

Q70 If you favour financial support, what sort of incentives could be considered?

Direct subsidy from EECA.

Q71 What are the benefits of these incentives?

Support rapid uptake so companies can meet 2030 target.

Q72 What are the risks of these incentives? **Respondent skipped this question**

Q73 What are the costs of these incentives? **Respondent skipped this question**

Q74 What measures other than those identified above could be effective at accelerating investment in clean energy technologies? **Respondent skipped this question**

Page 13: Section 6: Cost recovery mechanisms

Q75 What is your view on whether cost recovery mechanisms should be adopted to fund policy proposals in Part A of the Accelerating renewable energy and energy efficiency discussion document?

No.

Q76 What are the advantages of introducing a levy on consumers of coal to fund process heat activities?

None. Coal consumers are already paying for emissions under the ETS.

Q77 What are the disadvantages of introducing a levy on consumers of coal to fund process heat activities?

Coal consumers are already facing costs through ETS. The proposals propose essentially a double-tax on some coal users.

Page 14: Section 7: Enabling development of renewable energy under the Resource Management Act 1991

Q78 Do you agree that the current NPSREG gives sufficient weight and direction to the importance of renewable energy? **Respondent skipped this question**

Q79 What changes to the NPSREG would facilitate future development of renewable energy? **Respondent skipped this question**

Q80 What policies could be introduced or amended to provide sufficient direction to councils regarding the matters listed in points a-i mentioned on pages 60-61 of the discussion document? **Respondent skipped this question**

Q81 How should the NPSREG address the balancing of local environmental effects and the national benefits of renewable energy development in RMA decisions? **Respondent skipped this question**

Q82 What are your views on the interaction and relative priority of the NPSREG with other existing or pending national direction instruments? **Respondent skipped this question**

Q83 Do you have any suggestions for how changes to the NPSREG could help achieve the right balance between renewable energy development and environmental outcomes?	**Respondent skipped this question**
Q84 What objectives or policies could be included in the NPSREG regarding councils' role in locating and planning strategically for renewable energy resources?	**Respondent skipped this question**
Q85 Can you identify any particular consenting barriers to development of other types of renewable energy than REG, such as green hydrogen, bioenergy and waste-to-energy facilities?	**Respondent skipped this question**
Q86 Can any specific policies be included in a national policy statement to address these barriers?	**Respondent skipped this question**
Q87 What specific policies could be included in the NPSREG for small-scale renewable energy projects?	**Respondent skipped this question**
Q88 The NPSREG currently does not provide any definition or threshold for "small and community-scale renewable electricity generation activities". Do you have any view on the definition or threshold for these activities?	**Respondent skipped this question**
Q89 What specific policies could be included to facilitate re-consenting consented but unbuilt wind farms, where consent variations are needed to allow the use of the latest technology?	**Respondent skipped this question**
Q90 Are there any downsides or risks to amending the NPSREG?	**Respondent skipped this question**

Page 15: Section 7 - continued

Q91 Do you agree that National Environmental Standards (NES) would be an effective and appropriate tool to accelerate the development of new renewables and streamline re-consenting?	**Respondent skipped this question**
Q92 What are the pros of using National Environmental Standards as a tool to accelerate the development of new renewables and streamline re-consenting?	**Respondent skipped this question**
Q93 What are the cons of using National Environmental Standards as a tool to accelerate the development of new renewables and streamline re-consenting?	**Respondent skipped this question**

Q94 What do you see as the relative merits and priorities of changes to the NPSREG compared with work on NES?	**Respondent skipped this question**
Q95 What are the downsides and risks to developing NES?	**Respondent skipped this question**
Q96 What renewables activities (including both REG activities and other types of renewable energy) would best be suited to NES?	**Respondent skipped this question**
Q97 What technical issues could best be dealt with under a standardised national approach?	**Respondent skipped this question**
Q98 Would it be practical for NES to set different types of activity status for activities with certain effects, for consenting or re-consenting?	**Respondent skipped this question**
Q99 Are there any aspects of renewable activities that would have low environmental effects and would be suitable for having the status of permitted or controlled activities under the RMA? Please provide details.	**Respondent skipped this question**
Q100 Do you have any suggestions for what rules or standards could be included in NES or National Planning Standards to help achieve the right balance between renewable energy development and environmental outcomes?	**Respondent skipped this question**
Q101 Compared to the NPSREG or National Environment Standards, would National Planning Standards or any other RMA tools be more suitable for providing councils with national direction on renewables ?	**Respondent skipped this question**
Q102 Please explain your answer	**Respondent skipped this question**

Page 16: Section 7 - continued

Q103 Are there opportunities for non-statutory spatial planning techniques to help identify suitable areas for renewables development (or no go areas)?	**Respondent skipped this question**
Q104 Do you have any comments on potential options for pre-approval of renewable developments?	**Respondent skipped this question**

Q105 Are the current National Policy Statement on Electricity Transmission (NPSET) and National Environmental Standards for Electricity Transmission Activities (NESETA) fit-for-purpose to enable accelerated development of renewable energy?	**Respondent skipped this question**
Q106 What changes (if any) would you suggest for the NPSET and NESETA to accelerate the development of renewable energy?	**Respondent skipped this question**
Q107 Can you suggest any other options (statutory or non-statutory) that would help accelerate the future development of renewable energy?	**Respondent skipped this question**

Page 17: Section 8: Supporting renewable electricity generation investment

Q108 Do you agree there is a role for government to provide information, facilitate match-making and/or assume some financial risk for PPAs?	**Respondent skipped this question**
Q109 Would support for PPAs effectively encourage electrification?	**Respondent skipped this question**
Q110 Would support for PPAs effectively encourage new renewable generation investment?	**Respondent skipped this question**
Q111 How could any potential mismatch between generation and demand profiles be managed by the Platform and/or counterparties?	**Respondent skipped this question**
Q112 Please rank the following variations on PPA Platforms in order of preference.1 = most preferred, 4 = least preferred.	**Respondent skipped this question**
Q113 What are your views on Contract Matching Services?	**Respondent skipped this question**
Q114 What are your views on State sector-led PPAs?	**Respondent skipped this question**
Q115 What are your views on Government guaranteed contracts?	**Respondent skipped this question**
Q116 What are your views on a Clearing house for PPAs?	**Respondent skipped this question**

Q117 For manufacturers: what delivered electricity price do you require to electrify some or all of your process heat requirements?	**Respondent skipped this question**
Q118 For manufacturers: is a long-term electricity contract an attractive proposition if it delivers more affordable electricity?	**Respondent skipped this question**
Q119 For investors / developers: what contract length and price do you require to make a return on an investment in new renewable electricity generation capacity?	**Respondent skipped this question**
Q120 For investors / developers: is a long-term electricity contract an attractive proposition if it delivers a predictable stream of revenues and a reasonable return on investment?	**Respondent skipped this question**

Page 18: Section 8 - continued

Q121 Do you consider the development of the demand response (DR) market to be a priority for the energy sector?	**Respondent skipped this question**
Q122 Do you think that demand response (DR) could help to manage existing or potential electricity sector issues?	**Respondent skipped this question**
Q123 What are the key features of demand response markets?	**Respondent skipped this question**
Q124 Which features of a demand response market would enable load reduction or asset use optimisation across the energy system?	**Respondent skipped this question**
Q125 Which features of a demand response market would enable the uptake of distributed energy resources?	**Respondent skipped this question**
Q126 What types of demand response services should be enabled as a priority?	**Respondent skipped this question**
Q127 Which services make sense for New Zealand?	**Respondent skipped this question**

Page 19: Section 8 - continued

Q128 Would energy efficiency obligations effectively deliver increased investment in energy efficient technologies across the economy?	**Respondent skipped this question**
Q129 Is there an alternative policy option that could deliver on this aim more effectively?	**Respondent skipped this question**
Q130 If progressed, what types of energy efficiency measures and technologies should be considered in order to meet retailer/distributor obligations?	**Respondent skipped this question**
Q131 Should these be targeted at certain consumer groups?	**Respondent skipped this question**
Q132 Do you support the proposal to require electricity retailers and/or distributors to meet energy efficiency targets?	**Respondent skipped this question**
Q133 Which entities would most effectively achieve energy savings?	**Respondent skipped this question**
Q134 What are the likely compliance costs of this policy?	**Respondent skipped this question**

Page 20: Section 8 - continued

Q135 Do you agree that the development of an offshore wind market should be a priority for the energy sector?	**Respondent skipped this question**
Q136 What do you perceive to be the major benefits to developing offshore wind assets in New Zealand?	**Respondent skipped this question**
Q137 What do you perceive to be the major costs to developing offshore wind assets in New Zealand?	**Respondent skipped this question**
Q138 What do you perceive to be the major risks to developing offshore wind assets in New Zealand?	**Respondent skipped this question**

Page 21: Section 8 - continued

Q139 This policy option involves a high level of intervention and risk. Would another policy option better achieve our goals to encourage renewable energy generation investment?	**Respondent skipped this question**

Q140 Could the proposed policy option be re-designed to better achieve our goals?	**Respondent skipped this question**
Q141 Should the Government introduce Renewable Portfolio Standards (RPS) requirements?	**Respondent skipped this question**
Q142 At what level should a RPS quota be set to incentivise additional renewable electricity generation investment?	**Respondent skipped this question**
Q143 Should RPS requirements apply to all electricity retailers?	**Respondent skipped this question**
Q144 Should RPS requirements apply to all major electricity users?	**Respondent skipped this question**
Q145 What would be an appropriate threshold for the inclusion of major electricity users (i.e. annual consumption above a certain GWh threshold)?	**Respondent skipped this question**
Q146 Would a government backed certification scheme support your corporate strategy and export credentials?	**Respondent skipped this question**
Q147 What types of renewable projects should be eligible for renewable electricity certificates?	**Respondent skipped this question**
Q148 If this policy option is progressed, should electricity retailers be permitted to invest in energy efficient technology investments to meet their renewable portfolio standards? (See option 8.3 on energy efficiency obligations).	**Respondent skipped this question**
Q149 If this policy option is progressed, should major electricity users be permitted to invest in energy efficient technology investments to meet their renewable portfolio standards? (See option 8.3 on energy efficiency obligations).	**Respondent skipped this question**
Q150 What are the likely administrative and compliance costs of this policy for your organisation?	**Respondent skipped this question**

Page 22: Section 8 - continued

Q151 This policy option involves a high level of intervention and risk. Would another policy option better achieve our goals to encourage renewable energy generation investment?	**Respondent skipped this question**

Q152 Could this policy option be re-designed to better achieve our goals?	**Respondent skipped this question**
Q153 Do you support the managed phase down of baseload thermal electricity generation?	**Respondent skipped this question**
Q154 Would a strategic reserve mechanism adequately address supply security, and reduce emissions affordably, during a transition to higher levels of renewable electricity generation?	**Respondent skipped this question**
Q155 Under what market conditions should thermal baseload held in a strategic reserve be used?	**Respondent skipped this question**
Q156 Would you support requiring thermal baseload assets to operate as peaking plants or during dry winters?	**Respondent skipped this question**
Q157 What is the best way to meet resource adequacy needs as we transition away from fossil-fuelled electricity generation and towards a system dominated by renewables?	**Respondent skipped this question**

Page 23: Section 8 - continued

Q158 Do you have any views regarding the options to encourage renewable electricity generation investment that we considered, but are not proposing to investigate further? (See pages 90 - 92 of the Accelerating renewable energy and energy efficiency discussion document).	**Respondent skipped this question**

Page 24: Section 9: Facilitating local and community engagement in renewable energy and energy efficiency

Q159 Should New Zealand be encouraging greater development of community energy projects?	**Respondent skipped this question**
Q160 What types of community energy project are most relevant in the New Zealand context?	**Respondent skipped this question**
Q161 What are the key benefits of a focus on community energy?	**Respondent skipped this question**
Q162 What are the key downsides or risks of a focus on community energy?	**Respondent skipped this question**

Q163 Have we accurately identified the barriers to community energy proposals?	**Respondent skipped this question**
Q164 Which barriers do you consider most significant? You may select more than one answer.	**Respondent skipped this question**
Q165 Are the barriers noted above in relation to electricity market arrangements adequately covered by the scope of existing work across the Electricity Authority and electricity distributors?	**Respondent skipped this question**
Q166 What do you see as the pros of a clear government position on community energy?	**Respondent skipped this question**
Q167 What do you see as the cons of a clear government position on community energy?	**Respondent skipped this question**
Q168 What do you see as the pros of government support for pilot community energy projects?	**Respondent skipped this question**
Q169 What do you see as the cons of government support for pilot community energy projects?	**Respondent skipped this question**
Q170 Are there any other options you can suggest that would support further development of community energy initiatives?	**Respondent skipped this question**

Page 25: Section 10: Connecting to the national grid

Q171 Please select the option or combination of options, if any, that would be most likely to address the first mover disadvantage.	**Respondent skipped this question**
Q172 What do you see as the disadvantages or risks of Option 10.1?	**Respondent skipped this question**
Q173 What do you see as the disadvantages or risks of Option 10.2?	**Respondent skipped this question**
Q174 What do you see as the disadvantages or risks of Option 10.3.1?	**Respondent skipped this question**
Q175 What do you see as the disadvantages or risks of Option 10.3.2?	**Respondent skipped this question**

Q176 Would introducing a requirement, or new charge, for subsequent customers to contribute to costs already incurred by the first mover create any perverse incentives?

Respondent skipped this question

Q177 Are there any additional options that should be considered?

Respondent skipped this question

Page 26: Section 10 (continued): Connecting to the national grid

Q178 Do you think that there is a role for government to provide more independent public data?

Respondent skipped this question

Q179 Is there a role for Government to provide independent geospatial data (e.g. wind speeds for sites) to assist with information gaps?

Respondent skipped this question

Q180 Should MBIE's Electricity Demand and Generation Scenarios (EDGS) be updated more frequently?

Respondent skipped this question

Q181 If you said yes, how frequently should they be updated?

Respondent skipped this question

Q182 Should MBIE's EDGS provide more detail, for example, information at a regional level?

Respondent skipped this question

Q183 Should the costs to the Crown of preparing EDGS be recovered from Transpower, and therefore all electricity consumers (rather than tax-payers)?

Respondent skipped this question

Q184 Would you find a users' guide (on current regulation and approval process for getting an upgraded or new connection) helpful?

Respondent skipped this question

Q185 What information would you like to see in such a guide?

Respondent skipped this question

Q186 Who would be best placed to produce a guide?

Respondent skipped this question

Page 27: Section 10 (continued): Connecting to the national grid

Q187 Do you think that there is a role for government in improving information sharing between parties to enable more coordinated investment?

Respondent skipped this question

Q188 Is there value in the provision of a database (and/or map) of potential renewable generation and new demand, including location and potential size?	**Respondent skipped this question**
Q189 If so, who would be best to develop and maintain this?	**Respondent skipped this question**
Q190 How should it be funded?	**Respondent skipped this question**
Q191 Should measures be introduced to enable coordination regarding the placement of new wind farms?	**Respondent skipped this question**
Q192 Are there other information sharing options that could help address investment coordination issues? What are they?	**Respondent skipped this question**

Page 28: Section 11: Local network connections and trading arrangements

Q193 Have you experienced, or are you aware of, significant barriers to connecting to the local networks? Please describe them.	**Respondent skipped this question**
Q194 Are there any barriers that will not be addressed by current work programmes outlined on pages 118 - 122 of the discussion document?	**Respondent skipped this question**
Q195 Should the option to produce a users' guide (see Option 10.6 on page 110) also include the process for getting an upgraded or new distribution line?	**Respondent skipped this question**
Q196 Are there other Section 10 information options that could be extended to include information about local networks and distributed generation?	**Respondent skipped this question**
Q197 Do the work programmes outlined on pages 118 - 122 cover all issues to ensure the settings for connecting to and trading on the local network are fit for purpose into the future?	**Respondent skipped this question**
Q198 Are there things that should be prioritised, or sped up?	**Respondent skipped this question**
Q199 What changes, if any, to the current arrangements would ensure distribution networks are fit for purpose into the future?	**Respondent skipped this question**

Page 29: Additional comments

Q200 Do you have any additional feedback? **Respondent skipped this question**

Q201 You may upload additional feedback as a file.File size limit is 16MB. We accept PDF or DOC/DOCX.

MIA submission - Accelerating renewable energy and energy efficiency.docx (659KB)