MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Simeon Brown	**Portfolio**	Energy

List of documents that have been proactively released		
Date	**Title**	**Author**
14 December 2023	Offshore renewable energy	MBIE
18 December 2023	Iwi Engagement in Offshore Renewable Energy	MBIE
1 February 2024	Offshore renewable energy: Timing and design of permitting regime	MBIE
1 March 2024	Offshore renewable energy: Regime design and next steps for Cabinet decisions	MBIE
15 March 2024	Offshore Renewable Energy – Alignment with Fast-track Approvals Bill	MBIE
28 March 2024	Offshore renewable energy regulatory regime: Draft Cabinet Paper	MBIE
18 April 2024	Offshore renewable energy – Interaction with environmental consents	MBIE
17 May 2024	Offshore renewable energy regulatory regime – Next steps	MBIE
21 May 2024	Offshore renewable energy – decommissioning requirements	MBIE
22 May 2024	Offshore renewable energy regulatory regime - Timeline	MBIE

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.

- Privacy of natural persons
- Commercial information
- Confidentiality
- Confidential advice to Government
- Free and frank opinions
- Legal professional privilege
- International relations
- Constitutional conventions

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Offshore renewable energy

Date:	14 December 2023	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	2324-1066

Action sought		
	Action sought	**Deadline**
Hon Simeon Brown **Minister for Energy**	Discuss with officials your priorities and the timeframes for the offshore renewable energy work programme.	18 December 2023
Hon Shane Jones **Associate Minister for Energy**	For information.	18 December 2023

Contact for telephone discussion (if required)			
Name	**Position**	**Telephone**	**1st contact**
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen	Privacy of natural persons	✓
Lauren McHale	Principal Policy Adviser	Privacy of natural persons	

The following departments/agencies have been consulted

Minister's office to complete:

- ☐ Approved
- ☐ Noted
- ☐ Seen
- ☐ See Minister's Notes
- ☐ Declined
- ☐ Needs change
- ☐ Overtaken by Events
- ☐ Withdrawn

Comments

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Offshore renewable energy

Date:	14 December 2023	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	2324-1066

Purpose

Provide an overview of the development of a regulatory regime for offshore renewable energy and associated strategic considerations; and seek your views on next steps, including timeframes.

Executive summary

The Government's priorities include fast-tracking offshore wind permits to unleash investment.

Offshore renewable energy, especially offshore wind farms, could deliver substantial volumes of renewable electricity to help New Zealand meet our climate goals. Offshore wind projects have long lead times (around eight to 10 years), high upfront capital costs, low operating costs and long operational lives (around 20 to 30 years). International developers are pursuing projects in New Zealand, but they are seeking certainty to support their investment.

We are developing a new regulatory regime to enable the development of offshore renewables at pace. The proposed regime would enable the selection of developments that best meet New Zealand's national interests. For developers, the key benefit of the regime is that it gives them certainty to invest in developing projects, through offering the exclusive right to develop renewable energy projects in a specific area. Developer have expressed support for the overall design of the proposed regime to date and the pace of progress.

Under the proposed regime, developers would be required to obtain two permits:

- a feasibility permit, to enable in depth assessments to test the viability of projects.
- a commercial permit for the right to construct and operate offshore energy infrastructure.

We are aiming to provide you preliminary advice on the design of the regime early in the new year, and to seek Cabinet decisions by April 2024. Timing of legislative steps following this will be subject to the Government's broader legislative agenda.

Iwi and hapū with interests in the relevant regions have raised several issues in respect of the regime. Addressing these issues will be critical to the regime and the industry developing at pace. We intend to provide further briefing to you on these issues and seek your guidance on future engagement and policy development.

Beyond the regulatory regime, you will have strategic choices to make about how much to support offshore renewable energy. Confidential advice to Government This brief sets out specific measures raised by developers that could deliver this certainty, including revenue stabilisation, improving consenting processes in the marine environment, infrastructure support (transmission and ports) and setting targets. Some of the Government's commitments relating to resource management and infrastructure could help with investment certainty, Confidential advice to Government

We are working to understand the strategic case for offshore wind as we gain greater clarity about our future energy options and needs. Choices about additional support for offshore wind will need

to balance the value of retaining the option of having offshore renewables in the future energy mix against the potential costs involved, including impacts for the wider electricity market. We set out initial views on the key factors and trade-offs you may wish to consider, including expectations around the future electricity demand and the potential for onshore generation to meet this, costs, impacts on the energy system and social licence. We will provide further advice on this in the new year, alongside wider work on potential electricity market measures to accelerate the delivery of renewable electricity (onshore and offshore).

Recommended action

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

a **Note** we are developing a regulatory regime for offshore renewable energy at pace, with the aim of seeking Cabinet decisions on the final design of the regime in April 2024.

Noted

b Confidential advice to Government

Noted

c **Discuss** the offshore renewable energy work programme with officials at your weekly meeting of 18 December 2023, including timeframes for the regulatory regime.

Agree / Disagree

d **Provide** initial views on support measures for offshore renewable energy outside the regulatory regime.

Agree / Disagree

Privacy of natural persons

Melanee Beatson
Manager, Offshore Renewable Energy and Hydrogen
Energy and Resource Markets, MBIE

14 / 12 / 2023

Hon Simeon Brown
Minister for Energy

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Hon Shane Jones
Associate Minister for Energy

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Background

1. The Government's priorities include fast-tracking offshore wind permits to unleash investment. The Government has also committed to a range of other mechanisms to support offshore wind, including accelerating consenting and supporting port upgrades.

2. Offshore wind generation has the potential to contribute significantly to reaching New Zealand's target of net-zero carbon emissions by 2050 and to significantly increase new renewable energy generation. New Zealand has world-leading offshore wind generation potential, with very high wind speeds and shallow water depths.

3. Several international developers are exploring offshore wind projects off the coasts of Taranaki, South Auckland/Waikato and potentially the South Island. **Annex One** provides an overview of developers with a known interest in New Zealand. There is an estimated 7GW of fixed-bottom offshore wind potential[1] in New Zealand and more from floating sites (compared to a total renewable electricity generation capacity of around 10GW in New Zealand today).

Regulatory Regime

We are developing a regulatory regime for offshore renewable energy at pace

4. We are developing a new regulatory regime to enable the development of offshore renewable energy at pace, drawing on international models such as Australia and Denmark. The proposed aim of the regime is to enable the selection of developments that best meet New Zealand's national interests and to give developers greater certainty to support investment. Developers have expressed support for the overall design of the regime and welcomed the pace of progress to date. The regime will need to be implemented through dedicated legislation.

5. The proposed regime is a developer-led permitting model. It covers all forms of offshore renewable energy (e.g. wind, solar, wave or tidal), but the focus is on wind, as this is the most mature technology. Developers would be required to obtain two permits:

    a. a **feasibility permit,** to give developers certainty to undertake in depth-assessments to test the viability of projects. Under the proposed approach, feasibility permits would be allocated in a competitive process. Feasibility permits will provide holders the exclusive right to apply for a subsequent commercial permit to develop renewable energy in the relevant area. Feasibility permits would have a maximum duration of seven years, with "use it or lose it" provisions.

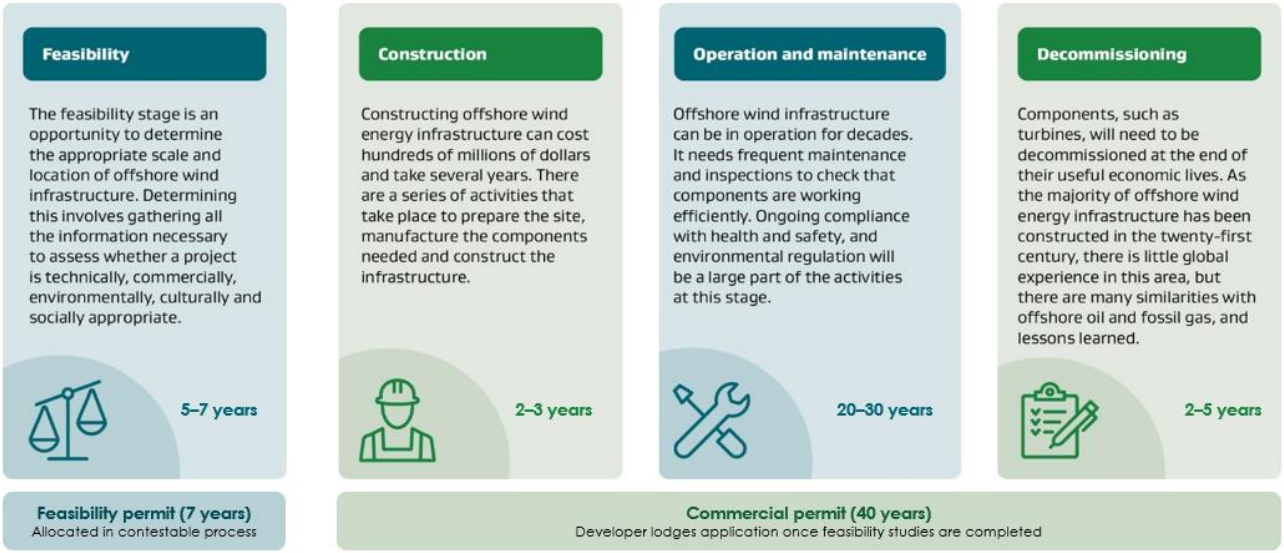
    b. a **commercial permit** for the right to construct and operate offshore energy infrastructure. Commercial permits would be issued following feasibility studies (approximately five to seven years) and would have a proposed 40-year duration (potentially with the option to extend).

6. We have designed the regime to work alongside, rather than duplicate, the environmental consenting regime. The feasibility permit, in effectively granting exclusivity to develop offshore renewable energy infrastructure in a particular area, fills a gap for developers to enable them to commit to the studies required to gain environmental consents (and other feasibility tests). We understand developers' clear preference is therefore that these processes remain separate. We are also seeking to understand opportunities to align the application processes for commercial permits, environmental and overseas investment consents, including within the fast-track consenting regime that is being developed.

7. Developers have indicated projects could be operational from the early to mid-2030s.

[1] Maximum sea depths of 50-75 metres are required for fixed bottom wind turbines.

Figure 1: Overview of offshore renewable wind project life and the proposed regime



We will shortly bring you advice on the design of the regime

8. Following earlier public consultation on the feasibility stage of the regime, we have recently completed consultation on a second discussion document covering proposals on construction, operation and decommissioning of the regime. We are now analysing the submissions and developing proposals, with a view to you seeking Cabinet decisions in April 2024.

9. We will seek decisions from you on the design of the regime in early 2024, including:

   a. **Criteria** – finalising the permit assessment criteria. We consulted on proposed criteria covering financial and technical capability; readiness of the project; iwi and hapū involvement; energy system impacts; economic development opportunities, decommissioning capability; health and safety capability; and national interest.

   b. **Process** – finalising the process and structure for applications. This includes deciding the appropriate maximum size of projects (the current proposal is to provide guidance of up to 250km^2, which translates to approximately 1GW of electricity generation), the maximum duration of permits (the current proposal is seven years for feasibility and 40 years for commercial); how feasibility application rounds will work and whether there should be any comparative element at the commercial permit stage.

   c. **Revenue** – whether the Government will collect revenue from the regime, in the form of lease fees or royalties. Based on current information, we would not recommend a revenue-gathering mechanism. Although it could create a revenue stream for government, it would likely deter investment (especially as Australia does not intend to collect revenue) and the increased cost of projects would flow through to consumers. It is, however, appropriate for government to recover the cost of administering the regime from participants through fees.

   d. **Regulator** – identifying, funding and setting up the regulator. We recommend New Zealand Petroleum & Minerals (which is housed within MBIE) is the most appropriate place for the regulator and offers the ability to set up quickly and at lowest cost. The functions of the proposed regulator are aligned with its existing regulatory functions; it has many (but not all) of the capabilities and systems required, it can manage variable workloads, and it has the benefit of being close to the policy function.

Confidential advice to Government

e. **Offshore transmission** – identifying which party (developer or Transpower) will be responsible for funding, building, owning and operating offshore transmission infrastructure (i.e. the connection to the onshore grid substation).

f. **Decommissioning** – determining appropriate provisions to ensure offshore renewable energy projects are successfully decommissioned at the end of their useful life, in a way that balances protecting the taxpayer and ensuring the regime is investable for developers.

Iwi and hapū are seeking to partner with the Crown on the regime

10. Iwi and hapū with interests in the relevant regions where developments are most likely to occur in the short-term are seeking to partner with the Crown on the development and implementation of the regime, including actively participating in the permitting process and decision-making. Addressing iwi concerns around offshore renewables will be critical to the regime and the industry developing at pace. We intend to provide further briefing to you on these issues and seek your guidance on future engagement and policy development.

We are aiming for Cabinet decisions on the regime as early as possible

11. The Emissions Reduction Plan commits to delivering a regulatory regime by 2024.[2] Subject to your relative priorities for this term:

    a. We aim to provide you preliminary advice on the design of the regime in late February, with the aim of seeking final Cabinet decisions in April.

    b. Legislation could be introduced into the house by late 2024, subject to your wider legislative agenda and how that will impact Parliamentary Counsel Office's resource.

12. The timeframes are ambitious. They rely on prioritising the regime on both policy and legislative work programmes, and being able to resolve any issues smoothly, including around iwi involvement. If achieved, you could introduce legislation in late 2024, have the regime in place in 2025 and the first feasibility permit round could be launched by late 2025. Some time savings could be made if legislative timeframes were further compressed. However, this would depend on the Government's priorities for the broader legislative programme and resources across your different priorities. Given this is a novel regime for New Zealand, we also consider there would be value in releasing an exposure draft of the Bill to seek feedback, including from developers. This would add two to three months to these time frames. **Annex Two** sets out timelines for the legislation.

Other enabling measures

Other measures will likely be required to enable offshore renewable energy to go ahead

13. You will also need to decide how much to support offshore renewable energy beyond implementing the regime. Offshore wind projects have long lead times (around eight to 10 years), high upfront capital costs, low operational costs and long operational lives (around 25 to 30 years). Confidential advice to Government

[2] Developing a regulatory framework for offshore renewable energy

14. Below we set out specific measures raised by developers to enable offshore renewable energy developments, how they relate to the onshore pipeline, and factors you may wish to consider in future decisions. Some of the Government's wider policies could be leveraged to enable offshore wind developments to go ahead, including the development of the National Infrastructure Agency, City and Regional Deals and fast-track consenting for Major Infrastructure Priorities. We welcome your early feedback on any of the below to inform further advice.

Revenue stabilization

15. Internationally, most offshore wind projects have been supported by some form of revenue mechanism. Developers have said they are principally seeking a revenue stabilisation mechanism, rather than revenue support (or subsidy). A revenue stabilisation mechanism provides certainty over the future electricity price, which enables access to the significant project finance required at a cheaper rate, lowering the overall project cost.

16. Most developers advocate for a two-way contract for difference (CfD), as used in the UK, other European countries and now being introduced in Australia. In this model, developers bid into an auction held by the government at a 'bid price' and, if successful, obtain a guarantee of that price over a defined contract period (e.g. 15 years). When the wholesale price is below this bid price, the government pays out to the project and when the wholesale price is above this bid price the project pays back to the government.[3]

17. Providing such a mechanism would be a material departure from the market-based electricity model in New Zealand and, if not designed appropriately, could result in significant market distortion, e.g. displacement of other onshore technologies. We recently consulted publicly on potential electricity market measures to accelerate the delivery of renewable electricity,[4] to inform strategic choices across the system. This consultation asked whether CfDs, and other measures like power purchase agreements (PPA), are required across the whole electricity market to incentivise the build of renewables at the pace and scale required. The responses to this consultation are being analysed.

18. Confidential advice to Government

19. Developer decisions on applying for feasibility permits, and proceeding with feasibility work, do not require the Government to have decided whether to offer revenue stabilisation for offshore wind projects. However, developers are seeking early signals of the Government's intentions. We intend to report to you on this work in the new year.

Clear and efficient consenting pathways for the marine environment

20. Consenting renewable energy projects may be challenging under the current environmental consent regime, given this is a new industry in New Zealand and operating in an area where there is limited environmental data. Developers will be required to obtain relevant environmental consents in addition to permits. Most early offshore wind developer interest is in the Exclusive Economic Zone (EEZ), meaning developments would require a marine consent for the turbines (under the EEZ Act[5]), and a resource consent for the transmission cables running through the territorial sea (under the RMA[6]).

[3] Even with revenue support/stabilisation mechanisms in place, several offshore wind projects have recently halted due to supply chain issues and higher-than-anticipated costs. Some of this can be attributed to the design of regimes and global factors (e.g. where CfDs were negotiated significantly in advance, meaning game-changing factors like the Russia-Ukraine war have not been taken into account).
[4] Measures for Transition to an Expanded and Highly Renewable Electricity System (mbie.govt.nz)
[5] Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012
[6] Resource Management Act 1991

21. We are exploring the potential to streamline these processes under existing legislation, e.g. requiring both consents to be heard at once by a single authority. This includes working with Ministry for the Environment (MfE) on the opportunity for offshore renewable energy to be included in the Government's fast-track consenting process. However, this will only reduce consenting challenges if it applies to consents under the EEZ Act. You will receive a briefing next week on the fast-track consenting work in relation to the energy portfolio.

22. We are also working with MfE on how a revised National Policy Statement for Renewable Electricity Generation (NPS-REG) and the New Zealand Coastal Policy Statement[7] will apply to offshore renewable energy, and if additional national direction is needed. We intend to provide you a briefing on this in February.

23. We are also considering the information required to enable robust decisions. Based on overseas experience, environmental data collection will take several years and require substantial investment. A key challenge in New Zealand is the lack of existing baseline data, i.e. little is known about species in the areas of interest for development. We have initiated work across agencies[8] on potential options to support developers to collect appropriate data to assess the environmental impacts of offshore renewable projects, with a focus on marine mammals and seabirds.

Certainty around transmission infrastructure

24. Developers are exploring options for offshore wind projects to feed into the grid, as well as direct connections to industrial users, and power-to-X (e.g. where electricity is used to produce hydrogen, synthetic natural gas, liquid fuels, or chemicals). To connect to the grid, offshore wind projects would require material upgrades to onshore interconnection infrastructure (the main grid backbone), because of the amount of power they generate.[9] Transpower advises these upgrades would take eight to 10 years.

25. We recently briefed you on the transmission regulatory system [2324-1132 refers]. Under regulatory frameworks now, Transpower can only build new transmission when demand for infrastructure is highly certain. This manages the risk of overbuilding infrastructure, which can increase consumer costs, or lead to stranded assets. It is, however, a barrier to development, as developers are unwilling to progress until they are confident this critical infrastructure will be there in time for operation.

26. This challenge is felt across the electricity system, but the scale and limited geographical locations suitable for offshore wind make it starker. Developers have specifically called for changes to allow investment in the network ahead of time, to avoid long delays to projects. Changes the Government has signalled to update transmission funding rules and consent processes could support investment. Depending on scope, a National Infrastructure Agency and Regional Infrastructure fund could also play a role in supporting transmission.

Ports infrastructure upgrades

27. Offshore wind projects in New Zealand would require material port upgrades, most likely at Port Taranaki.[10] Like with transmission, these upgrades are expensive and have long lead times (around eight to ten years), meaning the port cannot progress on commercial terms without the certainty of a committed project (i.e. it's "chicken and egg"). Commercial

[7] The New Zealand Coastal Policy Statement is the only compulsory National Policy Statement under the RMA.
[8] MfE, Department of Conservation and the Environmental Protection Authority (and engaging with the Ministry for Primary Industries given links to open ocean aquaculture).
[9] Transmission upgrades would not be required if not connecting to the grid, e.g. Power-to-X projects including hydrogen.
[10] Upgrades to smaller ports, e.g. Patea in South Taranaki, might also be required to support the operation and maintenance of offshore wind farms (i.e. to enable workers to make day trips by boat from ports).

Commercial Information

28. As with transmission, Government priorities relating to infrastructure and port development, including a National Infrastructure Agency and Regional Infrastructure Fund, could play a role in delivering the port upgrades to enable offshore wind.

Targets for offshore wind

29. Some developers have called for clear targets for offshore wind, as is in place in other countries. For example, Victoria, Australia has a target of 2GW of offshore wind capacity by 2032, rising to 4GW by 2035. Targets may be helpful to stimulate developer interest and provide an additional layer of certainty, but only to the extent it's backed up by other supporting policy measures, such as those described above.

30. Confidential advice to Government

A decision on additional support for offshore wind should be informed by New Zealand's long-term energy needs

31. Additional measures to enable offshore wind, particularly revenue stabilisation, would involve significantly departing from our electricity market set-up. Choices about additional support for offshore wind will need to balance the value of retaining the option of having offshore renewables in the future energy mix against the potential costs involved, including impacts for the wider electricity market.

32. We are working to understand the strategic case for offshore wind as we gain greater clarity about our future energy options and needs. There is considerable uncertainty about future electricity demand growth, and whether this can be met by (currently cheaper) onshore renewables. The key factors are:

    a. **Demand growth:** Most projections used to date suggest demand for renewable electricity increasing by around 70 per cent by 2050, which equates to approximately 12.6GW of new generation capacity. However, these demand projections are based on the Climate Change Commission's demonstrated pathway to electrify transport and low and medium temperature process heat. These projections do not include demand that would come from decarbonising our hard-to-abate sectors, new energy-intensive industries such as hydrogen or sustainable aviation fuel production, and additional energy if New Zealand pursues a renewable energy export market.[11] Confidential advice to Government The extent to which we want to enable offshore wind is closely linked to choices on hydrogen and the extent to which we want to retain and and/or attract new green industry, including to support targeted regional economic development opportunities. We will provide you with a separate briefing on hydrogen opportunities in the New Year.

    b. **Onshore renewable pipeline:** Most expert analysis indicates that New Zealand has significant onshore renewable energy resources. For example, the Electricity Authority and Transpower suggest that there is greater than 24GW of onshore renewable

[11] For example, recent modelling for the Interim Hydrogen Roadmap suggests that an additional 12.5GW (base case) to 27GW (value-added export) could be needed to support a hydrogen industry, beyond the 12.6GW mentioned above. Several industry stakeholders have suggested even more might be required, e.g. to meet demand from aviation.

projects in the pipeline to 2050. However, the confidence we can currently have in these figures is limited, as they are based on relatively high-level analysis and survey data. Further analysis is needed to understand what proportion of these resources are "investable, buildable and consent-able", and how much of it is likely come forward at the pace and scale required. Confidential advice to Government

33. Other relevant factors feeding into the strategic case for offshore wind are:

    c. **Costs:** The lifetime costs of offshore wind projects are significantly more expensive than onshore renewable generations such as wind and solar. Most international models suggest this gap is narrowing, as offshore wind technology improves and scale increases. The cost of onshore renewable energy projects may also rise as they increasingly require the use of more difficult or marginal sites. However, it is unclear when, or if, cost parity will be achieved, but this is considered very unlikely within the next 15 years. We have commissioned an engineering study to be completed by the end of the year to improve our understanding of likely New Zealand-specific costs.

    d. **System impacts**: Offshore wind projects are likely to be large (e.g. 500MW-1GW) when compared with the overall system (currently around 10GW) and located in areas where there are similar patterns of wind. This might increase the risk of instability in the national grid and increased intermittency. Our early view is that these issues will require careful management, but are not insurmountable. We are working closely with Transpower to better understand these impacts.

    e. **Social licence**: Some countries have taken a strategic decision to focus wind development offshore to limit visual impacts on key landscapes. This debate has not been had in New Zealand and it unclear what public opinion is likely to be. The more renewable energy required onshore, the more likely it will affect valued landscapes and potentially erode public support for developments. However, the marine space and marine life are also of cultural significance in New Zealand (particularly to Māori).

34. We recently consulted publicly on potential electricity market measures to accelerate the delivery of renewable electricity (onshore and offshore), to inform strategic choices across the system. We will provide further advice on this in the new year.

Existing consent application

We will provide advice on an early consent application for offshore wind

35. In August 2023, Wind Quarry Zealandia, (the New Zealand arm of a US company headed by Dr Patrick O'Meara, a General Practitioner based in Gore) lodged a resource consent application with the Taranaki Regional Council (TRC) for a 150km^2 offshore wind development in the territorial sea off the coast of Taranaki. We understand the TRC will request additional information, including environmental data, which could take significant time to collect. Unlike other international developers active in New Zealand, Wind Quarry (the parent company) does not have a track record of developing and delivering offshore wind projects.

36. We had encouraged developers with genuine interests in offshore wind to engage in the development of the regime, before applying for consents. Most developers have expressed support for this approach and are engaging constructively in the process.

37. Under the RMA, proposals of national significance can be called in and referred to a Board of Inquiry or the Environment Court. We are working with relevant agencies to determine if this is appropriate and will provide Ministers further advice on this. The decision to call in the application is for the Minister of Conservation, following advice of the Environmental Protection Authority. There is time before this decision needs to be made. The Minister can

call in an application up to five days before the start of a hearing. We do not expect there to be public notification until after any additional information requested by the TRC is received.

38. We will continue to monitor the progress of the application.

Next steps

39. We welcome your early feedback on the issues set out above.

40. Subject to your priorities we intend to provide the following advice on offshore renewable energy:

Timing	Topic
January 2024	Briefing on Wind Quarry Zealandia's consent application for an offshore wind farm off the cost of Taranaki
January 2024	Preliminary advice on the design of the regime, including analysis of feedback from submissions
Late February 2024	Briefing seeking decisions on the final design of the regulatory regime and agreement to develop a Cabinet paper
March 2024	Draft Cabinet Paper seeking policy decisions on regulatory regime and to begin drafting Bill
Late April 2024	Proposed Cabinet consideration of paper seeking policy decisions

41. Decisions on any wider support measures do not need to be made at the same time as finalising the regime or before legislative development. We recommend you consider these alongside wider energy and Government priorities, e.g. resource consenting and infrastructure. However, developers will be seeking early signals of the Government's intentions, particularly in relation to revenue stabilisation.

Annexes

Annex One: Overview of developer interest

Annex Two: Timelines for implementation

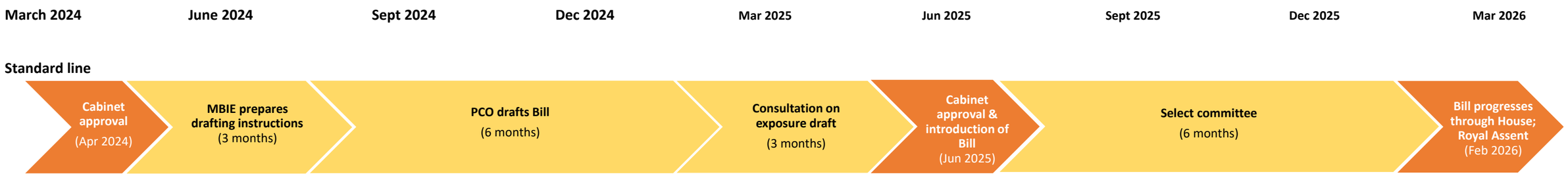
Annex One: Overview of developer interest

The table below provides a summary of the developers we have engaged with and what we understand about the scope of their offshore wind projects.

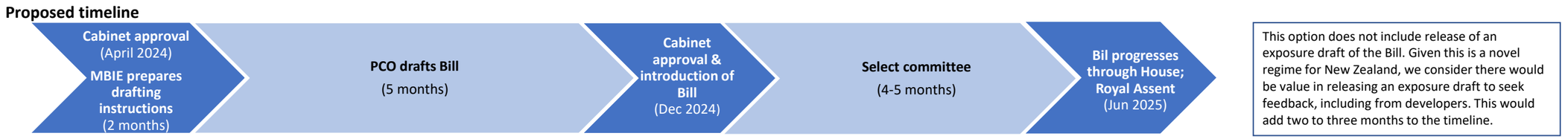
Developer	Project description
BlueFloat Energy	• BlueFloat Energy is a Spanish offshore wind developer with over 20 projects in development internationally. • BlueFloat's experience is primarily in the feasibility, rather than construction or operational phases of projects. • Working in partnership with New Plymouth based Elemental Group, which is supporting with local engagement. • BlueFloat has an interest in: o 800MW fixed bottom project in Waikato. With a potential 1.1GW floating second phase. o 900MW fixed bottom project in South Taranaki. • Confidential advice to Government
Taranaki Offshore Partners (TOP)	• TOP is a partnership between Copenhagen Offshore Partners (COP) and New Zealand Super Fund. • COP is an experienced offshore wind developer with operational projects in Europe, Asia and in development in Australia. • Interested primarily in a 1GW project in South Taranaki, with an aim to be operational from 2030. However, COP is also increasingly starting to explore an opportunity in Waikato. • Confidential advice to Government
Parkwind	• Experienced Belgian based offshore wind developer with seven operational offshore wind farms in Europe and Asia and more under construction. Parkwind typically develops, constructs and operates its wind farms. • Interested in a 0.5-1GW project in south Taranaki, with an aim for the project to be operational in 2032. • Recently acquired (in June 2023) by a Japanese generation company, JERA. • Recently signed a Memorandum of Understanding with Meridian Energy • Confidential advice to Government
Wind Quarry Zealandia (WQZ)	• WQZ is a subsidiary of parent Wind Quarry LLC, a privately-owned company with one 100MW onshore wind farm in Dakota, USA. • WQZ has recently lodged an environmental consent application to Taranaki Regional Council for an 800MW wind farm in South Taranaki. The application is within New Zealand's territorial sea (as opposed to the Exclusive Economic Zone, where the developers above are looking). • Confidential advice to Government
Sumitomo	• Japanese investor with an international presence in a range of sectors. Sumitomo has early, exploratory interest in Taranaki and Waikato, but is less active than some of the other companies listed above. • Confidential advice to Government
Oceanex	• Australian offshore wind developer. Has early, exploratory interest in Taranaki and Waikato, but is less active than some of the other companies listed above. • Confidential advice to Government

Annex Two: Timelines for legislation

Annex Two: Timelines for legislation



The standard timeline shows the standard duration for preparing drafting instructions and drafting of the Bill, and a six-month select committee. It also provides for the release of an exposure draft, allowing stakeholders (including developers and iwi) to review the legislation, providing an opportunity before select committee to resolve any issues identified.



This option does not include release of an exposure draft of the Bill. Given this is a novel regime for New Zealand, we consider there would be value in releasing an exposure draft to seek feedback, including from developers. This would add two to three months to the timeline.

The proposed timeframe requires drafting instructions to be prepared prior to Cabinet approval. It also shortens timeframes for preparing drafting instructions, drafting of the bill and the select committee stage to enact the regime by mid-2025.

Under both timelines, feasibility regulations would be developed alongside the Bill.