



Energy Portfolio Weekly Report

Week commencing:	20/01/2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0008068

Recipient	Action sought
HON SIMEON BROWN MINISTER FOR ENERGY	Note the contents of this report

Sharon Corbett
Acting General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

16 January 2025

Minister's comments:

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Tayla Sumner <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>[Redacted]</p> <p>The Resource Management (Consenting and Other System Changes) Amendment Bill was referred to the Environment Select Committee after its first reading on 17 December 2024. The Bill will deliver Electrify NZ commitments around resource consent timeframes, duration and lapse periods. Submissions are open on the Bill until 10 February 2025.</p> <p>The Fast-track Approvals Act came into force on 18 December 2024. From 7 February 2025, new applicants can apply to the Minister for Infrastructure for referral, and the projects listed in Schedule 2 of the Act can apply for substantive approvals. Agencies are working to finalise cost recovery provisions and internal arrangements in preparation for go-live.</p>
<p>Hazards from Trees</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Review of the phase-out of the LFC regulations</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>[Redacted]</p> <p>[Redacted]</p>

**Review of Electricity
Market
Performance**

Sharon Corbett
Privacy of natural persons

Confidential advice to Government
[Redacted]

We aim to have all four contracts completed and executed by Friday 24 January. This will enable commencement of the work on Monday 27 January. We will work with your offices about arrangements for announcing the reviewers and we will prepare communications material.

You agreed to hold a commissioning meeting with the Lead Reviewer jointly with Minister Jones. This is scheduled for 3:30pm Tuesday 28 January. This will provide an early opportunity for Ministers to meet with key members of the Lead Reviewer team, and provide guidance as they commence their work on any particular areas Ministers wish the Review to focus on. We will provide you with an event briefing for this meeting.

Confidential advice to Government
[Redacted] Both reports will be peer reviewed by the two independent Peer Reviewers.

**Advice on security
of supply**

Ed Smith
Privacy of natural persons

Confidential advice to Government
[Redacted]

- [Redacted]
- [Redacted]
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- [Redacted]

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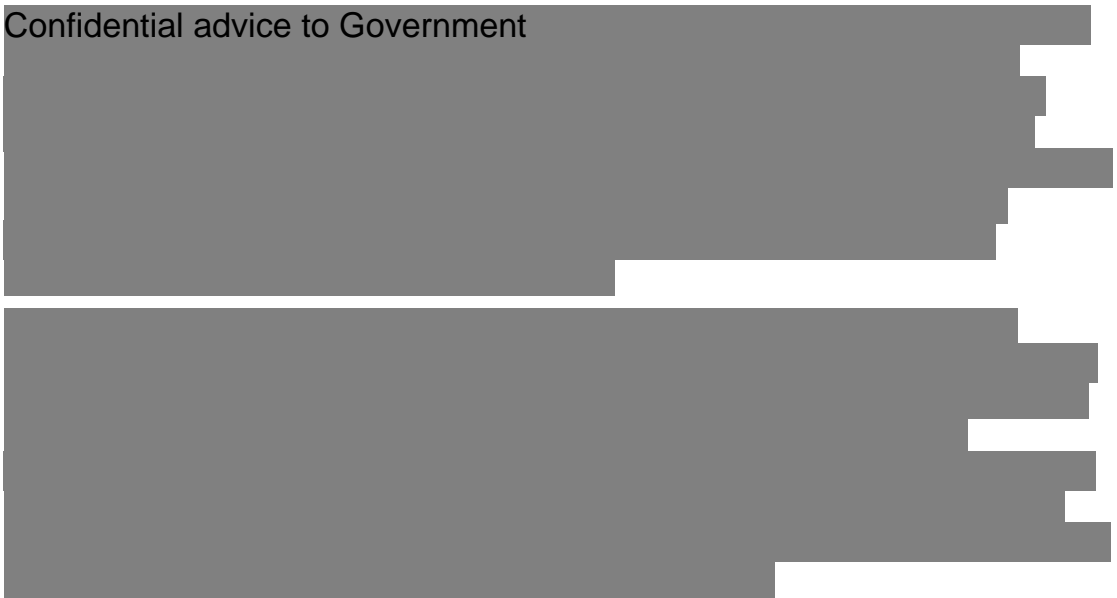
Title

Comment

Confidential advice to Government


Confidential advice to Government

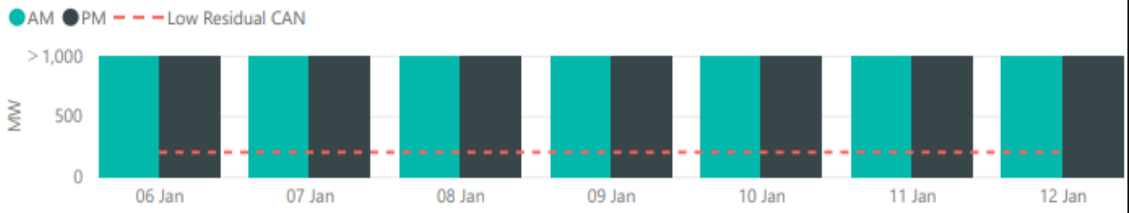
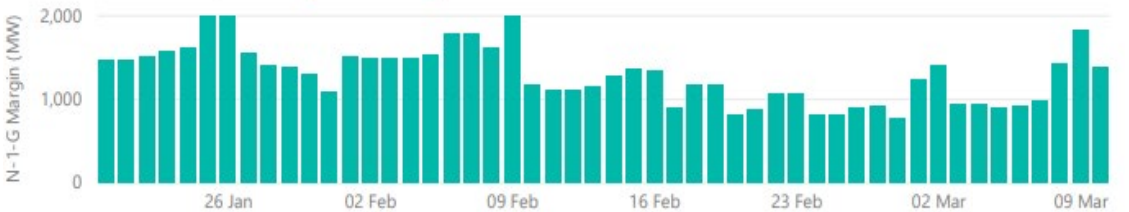
<p>Outcome of meeting with growers to discuss resource consents for greenhouse gas emissions</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>On 18 December 2024, MBIE and MfE officials met with greenhouse growers to discuss their concerns with the national direction on process heat. Generally, the growers' view is that the resource consent process for existing gas process heat assets required by the national direction results in unnecessary compliance costs and does not add commercial value.</p> <p>Confidential advice to Government</p> <p>[Redacted]</p> <p>[Redacted]</p>
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<p>Lodestone’s largest solar farm begins generating</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Lodestone Energy’s third and largest solar farm has begun generating. Te Herenga o Te Rā solar farm will generate ~69 GWh per annum – enough to power almost 10,000 homes per year. The agrivoltaics solar farm (the dual use of land for solar energy production and agriculture) is the first in New Zealand to be directly connected to the national grid. Lodestone says the development of the solar farm has been made possible by its long-term partnerships with The Warehouse Group and Inghams NZ.</p>
<p>Amendments to the Enforcement regulations and Rulings Panel recommendation</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> 

Current appointments

Confidential advice to Government



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<p>Electricity security of supply</p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>ELECTRICITY CAPACITY (for the week to Sunday 12 January 2025)</p> <p>Margins were very healthy with over 1,000 MW of residual over all peaks last week due to significantly lower demand. The lowest residual occurred on the evening of Thursday 9 January at 1,789 MW.</p> <p>Residuals for week to 12 January 2025 were all well above the preferred 200MW threshold.</p> <p>Lowest Residual Points - MW</p>  <p><i>Source: System Operator, Market Operations - Weekly Market Movements</i></p> <p>Forecast N-1-G margins are currently healthy for the rest of December and January.</p> <p>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to start of March 2025:</p> <p>NZGB Look-Ahead (excluding next 7 days)</p>  <p><i>Source: System Operator, Market Operations - Weekly Market Movements</i></p> <p>ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 12 January)</p> <p>National hydro storage levels decreased from 121% to 115% of the historic mean last week. North Island hydro storage decreased from 127% to 123% of the historic mean for this time of year and South Island storage decreased from 120% to 114%.</p> <p>ENERGY (HYDRO) STORAGE LEVEL BY MAJOR LAKE</p> <p>Wednesday 15 January 2025</p> <table border="1" data-bbox="363 1518 1460 1814"> <thead> <tr> <th colspan="2"></th> <th>Last</th> <th>Δ</th> <th>Previous</th> <th>Change</th> <th>1 Day</th> <th>1 Week</th> </tr> </thead> <tbody> <tr> <td colspan="2">UPSTREAM</td> <td colspan="6"></td> </tr> <tr> <td colspan="2">Water</td> <td colspan="6"></td> </tr> <tr> <td></td> <td></td> <td>Daily</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Hydro system storage</td> <td>% LT avg</td> <td>114.9%</td> <td>▼</td> <td>115.6%</td> <td>-0.7%</td> <td>-0.7%</td> <td>-6.1%</td> </tr> <tr> <td>Pukaki - Meridian</td> <td>% full</td> <td>101.4%</td> <td>▼</td> <td>101.5%</td> <td>-0.1%</td> <td>-0.1%</td> <td>-1.4%</td> </tr> <tr> <td>Manapouri - Meridian</td> <td>% full</td> <td>61.8%</td> <td>▲</td> <td>61.7%</td> <td>+0.2%</td> <td>+0.2%</td> <td>-5.0%</td> </tr> <tr> <td>Tekapo - Genesis</td> <td>% full</td> <td>90.6%</td> <td>▼</td> <td>91.3%</td> <td>-0.7%</td> <td>-0.7%</td> <td>-3.9%</td> </tr> <tr> <td>Hawea - Contact</td> <td>% full</td> <td>91.7%</td> <td>▼</td> <td>91.7%</td> <td>-0.0%</td> <td>-0.0%</td> <td>-0.0%</td> </tr> <tr> <td>Taupo - Mercury</td> <td>% full</td> <td>75.6%</td> <td>▼</td> <td>76.6%</td> <td>-0.9%</td> <td>-0.9%</td> <td>-5.2%</td> </tr> </tbody> </table> <p><i>Source: Enerlytica</i></p>			Last	Δ	Previous	Change	1 Day	1 Week	UPSTREAM								Water										Daily						Hydro system storage	% LT avg	114.9%	▼	115.6%	-0.7%	-0.7%	-6.1%	Pukaki - Meridian	% full	101.4%	▼	101.5%	-0.1%	-0.1%	-1.4%	Manapouri - Meridian	% full	61.8%	▲	61.7%	+0.2%	+0.2%	-5.0%	Tekapo - Genesis	% full	90.6%	▼	91.3%	-0.7%	-0.7%	-3.9%	Hawea - Contact	% full	91.7%	▼	91.7%	-0.0%	-0.0%	-0.0%	Taupo - Mercury	% full	75.6%	▼	76.6%	-0.9%	-0.9%	-5.2%
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ELECTRICITY ('ENERGY') SUPPLY RISK (at 12 January)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

New Zealand Energy Risk



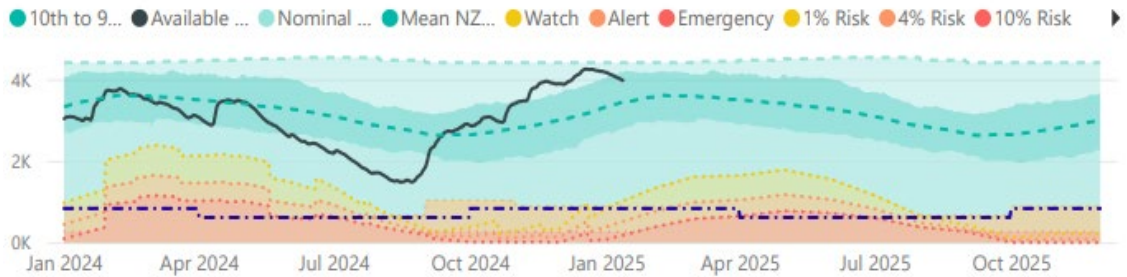
South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is above average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)



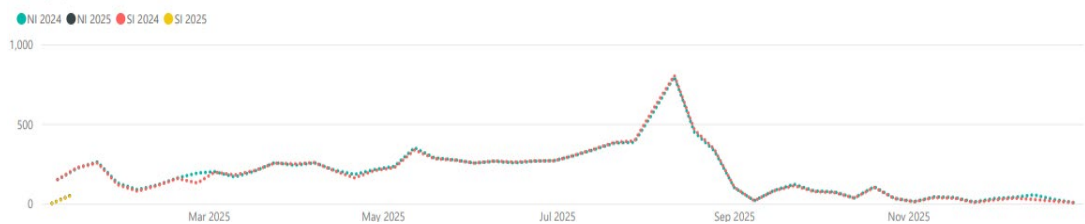
The System Operator last updated the electricity risk curves (ERC) on 20 December 2024. At this time the ERCs for 2025 reduced, meaning a lower risk of energy shortage was now expected, than had been predicted at mid-November. None of the modelled Simulated Storage Trajectories - which predict energy storage under various conditions - cross the 10 % curve, which is the lowest risk tolerance curve. The next ERC update is expected towards the end of January 2025.

Source: System Operator, Market Operations - Weekly Market Movements

WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 8 December 2024)

Weekly Spot Price - \$/MWh



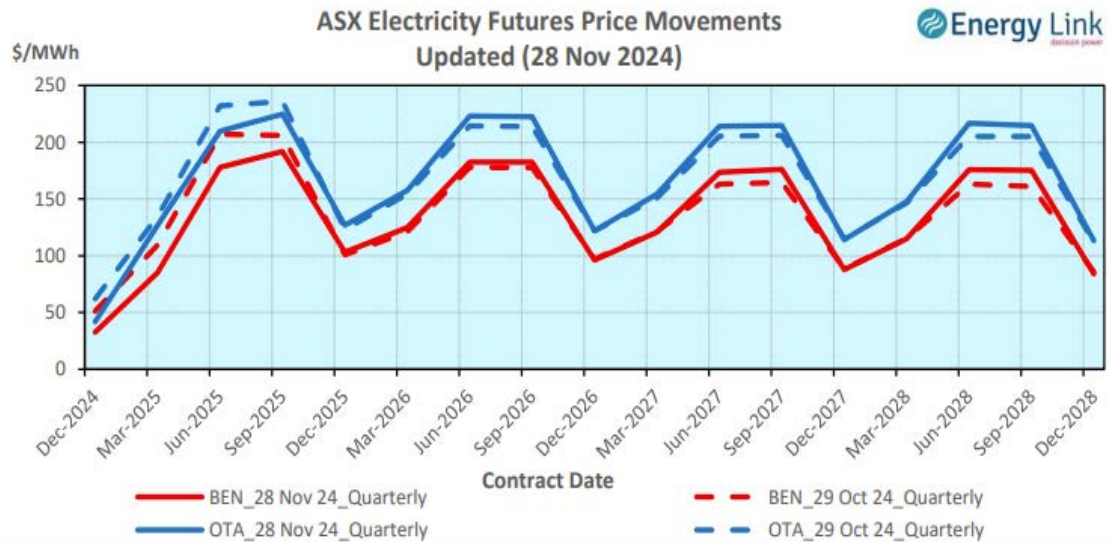
Source: System Operator, Market Operations - Weekly Market Movements

Month-to-date, 7-day average and Daily average spot prices (at Tuesday 13 January)

Node:	Month-to-date	7-day Avg	Daily Avg
Benmore	\$37.76	\$69.19	\$132.88
Haywards	\$40.53	\$74.17	\$138.25
Ōtāhuhu	\$45.72	\$83.66	\$151.79

Source: Energy Link EnergyTrendz Daily

ASX Electricity Futures Prices (at 28 November 2024, a more recent update is not yet available)



Source: Energy Link, Energy Trendz Weekly

Update on the Customer and Product Data Bill (Consumer Data Right)

Scott Russell
Privacy of natural persons

On 23 December 2024, the Economic Development, Science and Innovation Committee presented the final report on the Customer and Product Data Bill (the Bill).

The Bill reported back from Select Committee (the Committee) with a few changes including:

Deletion of some privacy provisions

The Committee recommended the deletion of some privacy provisions in response to concerns from some submitters that they could cause unnecessary costs and reduce adoption of the regime. The Committee was satisfied that protections through the Privacy Act were sufficient.

Two provisions were deleted related to: restricting aspects of accredited requestors handling of customer or derived data, and accredited requestors record keeping.

Protection from liability

The addition of a new defence for data holders in some circumstances where the data holder provided data to another person. This provides a defence if the data holder proves they, in compliance or in purported compliance with the Bill, provided data in good faith, and in certain circumstances, they took reasonable precautions and exercised due diligence.

Approving persons to develop standards

A new provision provides a power and process for the Chief Executive to approve a person to develop and maintain standards. To approve a person, the Chief Executive must be satisfied they meet certain criteria, such as having a reasonably balanced representation of stakeholder interests.

Other changes

The other key changes include:

- Minimum criteria that those applying for accreditation will need to satisfy to be accredited.
- New grounds for data holders to refuse requests for data if they reasonably believe that the action would likely cause serious financial harm, or if the request was made (wholly or partly) because of deception.

The Bill is expected to have its second reading early 2025 and be enacted by the end of the year.

Weekly fuel price monitoring

Amapola Generosa

Privacy of natural persons

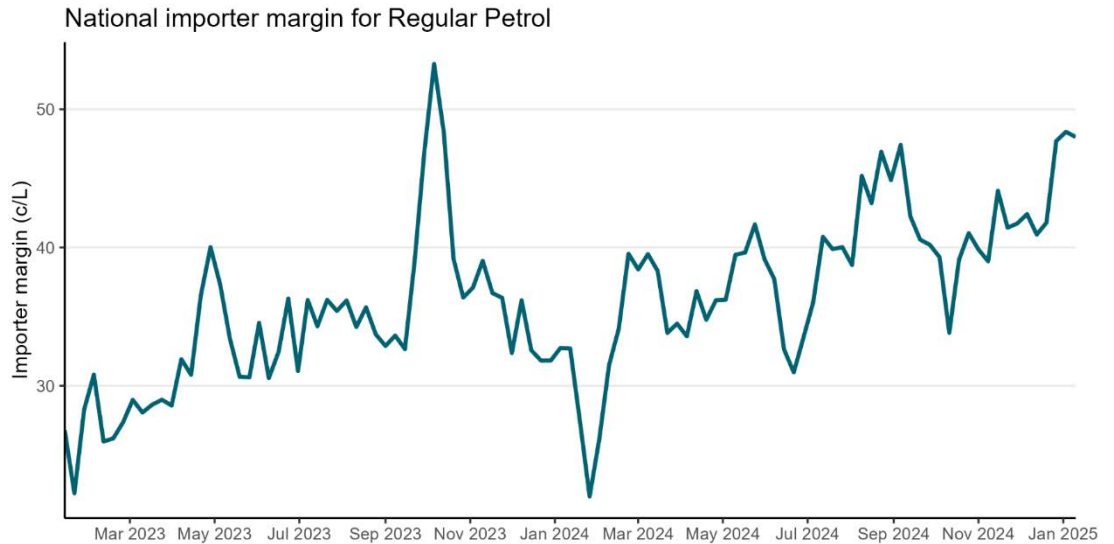
International oil prices

Crude oil prices increased in the week ending Friday 10 January 2025, corresponding with colder weather in the United States and northern Europe.

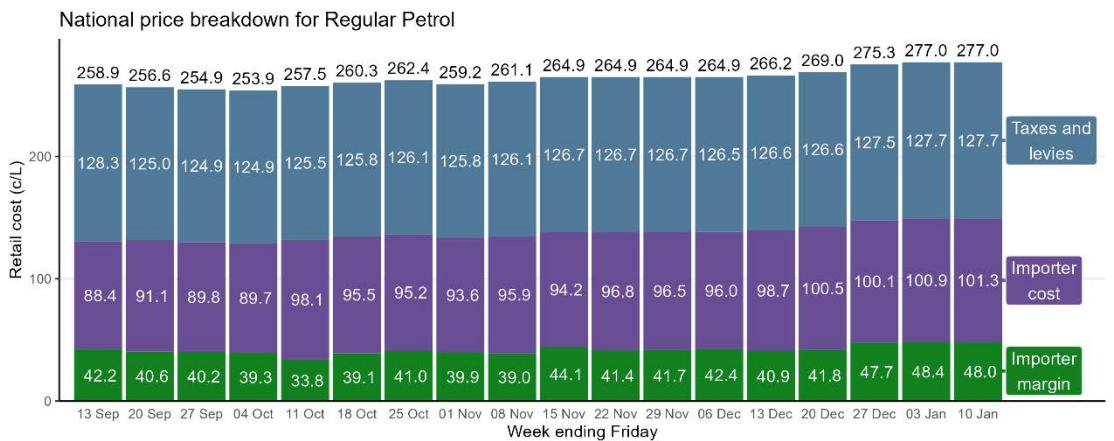
National average fuel margins

In the week ending Friday 10 January 2025, retail prices for regular petrol stayed steady, while importer margins decreased 0.4 c/L to 48.0 c/L. While importer margins have increased over the New Year's period, this may simply reflect volatility in pricing under normal operating conditions. Further monitoring over the following weeks will demonstrate whether this represents a sustained increase in prices over a longer period.

National level importer margins for regular petrol over the past two years are shown below.



The price breakdown for the past four months is shown below.

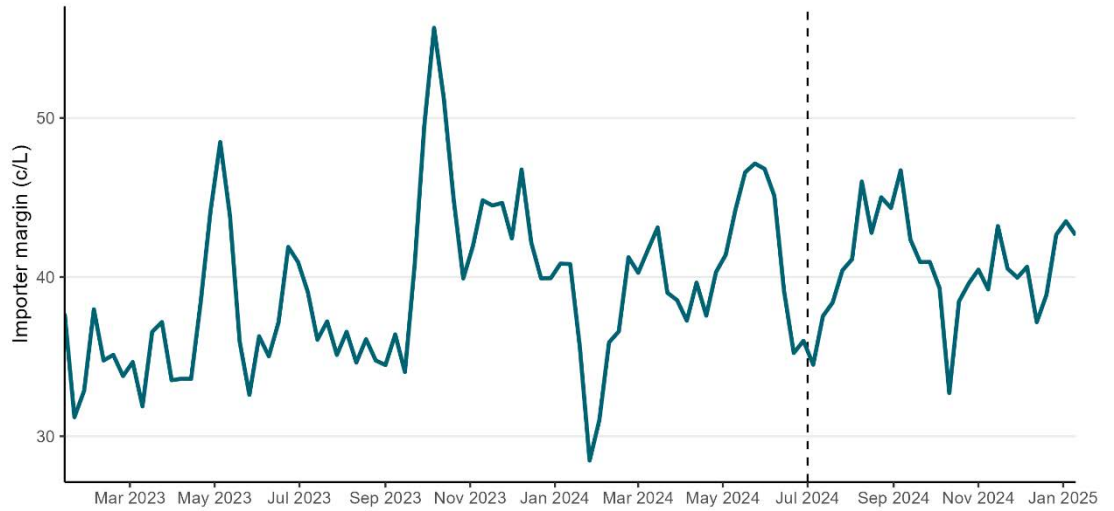


Auckland fuel margins

In the week ending Friday 10 January 2025, retail prices decreased by 0.6 c/L for regular petrol, while importer margins decreased 0.9 c/L to 42.6 c/L.

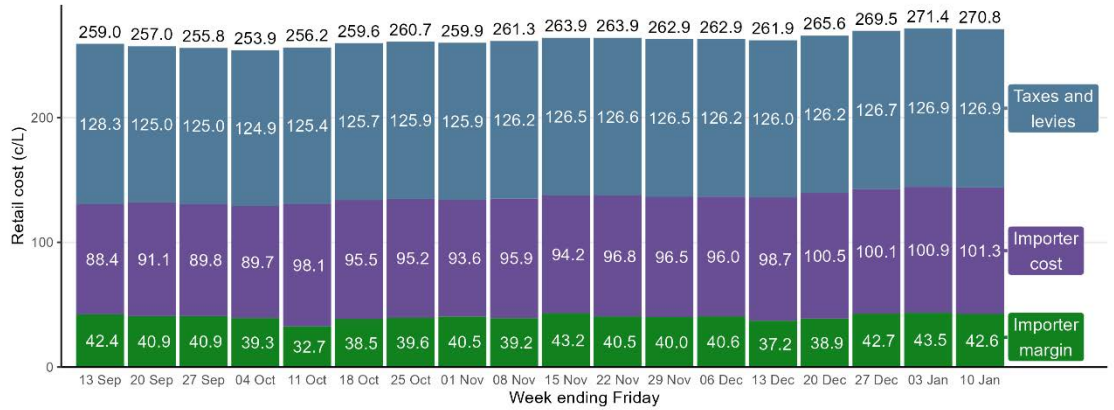
Importer margins for regular petrol in the Auckland region over the past two years are shown below. The dashed line shows the removal of the Auckland Regional Fuel Tax.

Auckland region importer margin for Regular Petrol



The price breakdown for the past four months is shown below.

Auckland region price breakdown for Regular Petrol



Monthly oil and gas production data

Amapola Generosa
Privacy of natural persons

We published the November 2024 update of our monthly oil and gas production data on the MBIE website on Thursday 16 January. This shows that net production of natural gas in November 2024 was 9.08 PJ, steady on October 2024 levels (9.07 PJ) and down 13% on November 2023 net production.

We publish this data regularly, on the second Thursday of each month (this month being an exception). Data for a given month is available 6 weeks after month-end. This data gives a more comprehensive view of gas production than other public sources (such as what is published on the Gas Industry Company’s website) as we collect data from all gas field operators in New Zealand and can capture information on gas that is delivered through private pipelines.

Upcoming Ministerial Items

1. Upcoming Energy meetings

None this week.

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Confidential advice to Government

Project:	Minimum stockholding obligations	
January 2025	Briefing	Briefing: update on diesel stockholding consultation

Confidential advice to Government

Project:	Offshore Renewable Energy - Regulations	
January 2025	Briefing	Policy decisions on permitting regulations
January 2025	Aide Memoire	Material to support Transport and Infrastructure Select Committee consideration of the Offshore Renewable Energy Bill
End-February 2025	Briefing and draft Cabinet paper	Approval to draft cost recovery regulations

Confidential advice to Government

Confidential advice to Government

Projects:	Further briefings (not shown on the Ministerial Priorities Output Plan A3)
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Confidential advice to Government

3. Written Parliamentary Questions

None this week.

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
23 January 2025	SB24-1403	Privacy of natural persons	Piped Gas
28 January 2025	SB24-1415		Power prices
10 February 2025	SB24-1419		Electrify NZ
10 February 2025	SB24-1441		Carbon Capture and Storage (CCS)
10 February 2025	SB24-1425		Energy Price increases

5. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
21 January 2025	OIA24-506	Privacy of natural persons	Copies of papers	Drafting	Tamara Linnhoff
27 January 2025	OIA2-514		Correspondence re Mill closures	Initiation	TBC

6. Departmental Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
21 January 2025	REQ-0007147	Privacy of natural persons	Copies of documents	Initiation	Callum Thorpe

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
3 February 2025	REQ-0007552	Privacy of natural persons	Copies of documents related to sustainable aviation fuel's role in decarbonising hard to abate industries and New Zealand aviation	Initiation	Sharon Corbett
7 February 2025	REQ-0008055		Copies of documents	Initiation	Tamara Linnhoff
10 March 2025	REQ-0006655		Copies of documents risk management review	Initiation	Tamara Linnhoff

7. Output plan

Confidential advice to Government

Confidential advice to Government