



Minister for Energy

Energy Portfolio

Vote Business, Science and Innovation

Report in relation to selected non-departmental appropriations for the year ended 30 June 2025

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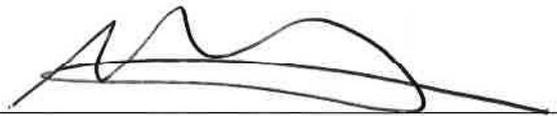
Foreword

Ministers are responsible for reporting the financial and non-financial performance of non-departmental appropriations to Parliament. This report provides information about the year-end performance results of non-departmental appropriations that have not been included in any other reports to Parliament.

This report provides the 1 July 2024–30 June 2025 results of the relevant non-departmental appropriations for the Energy portfolio within Vote Business, Science and Innovation. The relevant appropriations are:

- Energy: Implementation of Policies and Programmes for Fuel Security and Fuel Emergency Management 2024-2029 (M28) (A17)
- Energy and Resources: Advice on Viable Energy Storage Projects (MYA) (M28) (A17)
- Energy and Resources: National New-Energy Development Centre 2022-2026 (M28) (A17)
- Energy: Crown Loans – Impairment of Debt (M28) (A17)
- Energy: Establishing a Renewable Electricity System on Chatham Island (M28) (A17)
- Energy: Crown Energy Efficiency – Capital Injection (M28) (A17)

The current portfolio name '*Energy*' changed from the previous portfolio name '*Energy and Resources*' as specified on the 2023-24 Estimates and Supplementary Estimates documents.



Hon Simon Watts
Minister for Energy

Statements of Performance

Non-Departmental Output Expenses

Energy: Implementation of Policies and Programmes for Fuel Security and Fuel Emergency Management 2024-2029 (M28) (A17)

Scope of Appropriation

This appropriation is limited to procurement and management of oil tickets for compliance with the International Energy Agency treaty obligations, and implementation of policies and programmes for promoting fuel security and facilitating fuel emergency management.

Intention Statement

This appropriation is intended to achieve effective management of fuel supply risks by implementing fuel security policies and programmes, with the main focus on ensuring that New Zealand's reserve oil and fuel stockholding level meets the minimum level of compliance with International Energy Agency treaty obligations.

Assessment of Performance

Non-Financial

Performance Measure	2023/24 Actual Standard	2024/25 Total Standard	2024/25 Actual Standard
Oil stock reserve (in days) maintained in New Zealand to meet International Energy Agency obligations	New appropriation for 2024/25 and outyears	90 days	91.6 days

Comment

Standard met for the 2024/25 financial year.

Financial

Expenses (\$000)	2023/24 Actual	2024/25 Estimates	2024/25 Supplementary Estimates	2024/25 Actual
Total Appropriation	-	46,650	45,950	33,165

Comment

The appropriation decreased by \$700,000 to \$142.050 million for 2024/25, following a fiscally neutral adjustment to support high-priority work related to New Zealand's fuel security. Actual expenditure for 2024/25 was \$33.165 million. The resulting underspend will be transferred to outyears to manage timing uncertainties associated with the programme

Energy and Resources: Advice on Viable Energy Storage Projects (MYA)

Scope of Appropriation

This appropriation is limited to the delivery of advice on the technical, environmental, and commercial feasibility of viable energy storage projects, including an assessment against alternatives.

Intention Statement

This appropriation is intended to achieve the funding of the business case assessment of options to address New Zealand's dry year energy storage problem in sufficient detail for a Cabinet decision on the selection of a project to be developed into a final engineering design for approval.

Assessment of Performance

Non-Financial

Performance Measure	2023/24 Actual Standard	2024/25 Total Standard	2024/25 Actual Standard
Quarterly reports to the Minister of Energy and Resources are delivered on time	100%	-	-

Comment

This programme of work ceased from 24 November 2023, as directed by Cabinet through its 100-day action plan. No activity was undertaken in 2024/25, with the remainder of funding returned to the Crown.

Financial

Expenses (\$000)	2023/24 Actual	2024/25 Estimates	2024/25 Supplementary Estimates	2024/25 Actual
Total Appropriation	2,173	-	-	-

Comment

Work on the NZ Battery Project ceased in late 2023. As part of the 2024 Mini Budget process, \$63.650 million was returned to the Crown. The remaining \$2.173 million was used to support early 2023/24 activities, including programme closure and decommissioning.

In 2024/25, a further \$804,000 was returned to the Crown. This amount reflected an underspend from 2023/24 that had been transferred into 2024/25 during the 2024 October Baseline Update.

Non-Departmental Other Expenses

Energy and Resources: National New-Energy Development Centre 2022-2026 (M28)

Scope of Appropriation

This appropriation is limited to completing the establishment of, and operating Ara Ake, the National New-Energy Development Centre

Intention Statement

This appropriation is intended to achieve the acceleration of the transition to a clean energy system, and low-emissions economy by reducing the time, cost and risk associated with the development and commercialisation of energy innovation.

Assessment of Performance

Non-Financial

Performance Measure	2023/24 Actual Standard	2024/25 Total Standard	2024/25 Actual Standard
Percentage of agreed key performance indicators that have been met on time	90%	90%	100%
Percentage of progress on agreed work programme milestones and financial performance reported within agreed timeframes	90%	100%	100%
Number of performance and monitoring meetings over the financial year.	8	At least 8	8

Comment

The year-end result for measure one has exceeded the initial performance standard with variance from last year due to an improvement in Ara Ake's performance in the 2024/25 year and following a refinement of expectations.

The increase for measure two compared to the previous year's result is also attributed to an improvement in Ara Ake's performance in the 2024/25 year following a refinement of expectations.

Financial

Expenses (\$000)	2023/24 Actual	2024/25 Estimates	2024/25 Supplementary Estimates	2024/25 Actual
Total Appropriation	7,000	7,000	7,007	6,150

Comment

This multi-year appropriation increased \$7,000 to \$7.007 million in 2024/25, reflecting a realignment of spending profiles. Actual expenditure for 2024/25 was \$6.150 million, consistent with the contract payment schedule. The resulting underspend will be transferred to outyears to

reflect the timing of future contract payments. The need for this flexibility is why funding is in the form of a multi-year appropriation.

Energy: Crown Loans – Impairment of Debt

Scope of Appropriation

This appropriation is limited to credit losses associated with crown loans provided under the Energy and Resources: Crown Energy Efficiency appropriation.

Intention Statement

This appropriation is intended to achieve the recognition of credit losses associated with Crown Loans.

Assessment of Performance

Non-Financial

Performance Measure	2023/24 Actual Standard	2024/25 Total Standard	2024/25 Actual Standard
Percentage paid off on all outstanding amounts owed on EECA loans	100%	100%	100%

Comment

Standard met for the 2024/25 financial year.

Financial

Expenses (\$000)	2023/24 Actual	2024/25 Estimates	2024/25 Supplementary Estimates	2024/25 Actual
Total Appropriation	-	100	100	-

Comment

Actual for 2024/25 is zero because there was no impairment accounting expense required on loans provided by EECA.

Energy: Establishing a Renewable Electricity System on Chatham Island (M28) (A17)

Scope of Appropriation

This appropriation is limited to grant funding for Chatham Island to establish a renewable electricity system.

Intention Statement

This appropriation is intended to achieve the establishment of a renewable electricity supply for the Chatham Island thereby reducing emissions and energy costs for the households and businesses on the island.

Assessment of Performance

Non-Financial

Performance Measure	2023/24 Actual Standard	2024/25 Total Standard	2024/25 Actual Standard
Average time difference between the actual completion of the project milestones compared to the contracted timeframes	100%	<30 days	37.5 days

Comment

The final milestone for the 2024/25 year was not fully achieved due to a delay in receiving some parts for the turbines. However, the project still expects to achieve the next milestone (the first in 2025/26) on time, and that overall delivery will not be affected.

Note the measure has changed from percentage of milestones achieved within 30 days in 2023/24 to the average number of days between contracted and actual milestone achievement. This is intended to better illustrate actual performance against contracted milestones.

Financial

Expenses (\$000)	2023/24 Actual	2024/25 Estimates	2024/25 Supplementary Estimates	2024/25 Actual
Total Appropriation	5,356	3,000	4,619	4,450

Comment

This appropriation increased by \$1.619 million to \$4.619 million for 2024/25 due to an expense transfer of \$1.644 million to realign funding with contract payments. This is partially offset by a \$25,000 expense transfer into 2025/26 to fund the final project instalment expected to be completed by the end of the financial year.

Non-Departmental Capital Expenditure

Energy: Crown Energy Efficiency – Capital Injection

Scope of Appropriation

This appropriation is limited to capital injections to Crown entities to assist public sector agencies in implementing energy efficiency and carbon emission reducing projects.

Intention Statement

This appropriation is intended to achieve greater energy efficiency and emission reductions by providing funding assistance to Crown entity projects approved under the State Sector Decarbonisation Fund.

Assessment of Performance

Non-Financial

Performance Measure	2023/24 Actual Standard	2024/25 Total Standard	2024/25 Actual Standard
Amount of funding to assist Crown entities provided in accordance with the investment principles of the State Sector Decarbonisation Fund	100%	100%	100%

Comment

Financial

Expenses (\$000)	2023/24 Actual	2024/25 Estimates	2024/25 Supplementary Estimates	2024/25 Actual
Total Appropriation	17,349	4,500	11,716	7,368

Comment

This appropriation increased by \$6.676 million to a total of \$11.176 million in 2024/25, following an expense capital transfer from 2023/24. The adjustment was made to align funding with milestone payments for existing contracts under the State Sector Decarbonisation Fund. Actual expenditure in 2024/25 was \$7.368 million. The remaining underspend will be carried forward to future years to align with the timing of upcoming milestone payments.