



## BRIEFING

### Update on LNG: shortlisted options and legislative design

<b>Date:</b>	29 January 2026	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	REQ-0026675

Action sought		
	Action sought	Deadline
Hon Simon Watts <b>Minister for Energy</b>	<b>Discuss</b> at your officials meeting  <b>Forward</b> this briefing to the LNG Ministerial Reference Group, comprising of the Minister of Finance, RMA Reform and Resources	2 February 2026

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
John Scott	Policy Director	Privacy of [redacted]	✓
Justine Cannon	GM, Energy Markets	Privacy of [redacted]	

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

**Comments**



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### Purpose

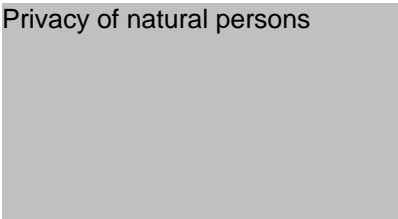
This briefing provides yourself and the Ministerial Reference Group with an overview of the six shortlisted options for an accelerated delivery solution for an LNG import facility; and sets out options for legislative design for the enabling legislation.

### Recommended action

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

- a **Discuss** the shortlisted options with officials at your Officials meeting on Monday 2 February Yes / No
- b **Discuss** your preferred approach to the enabling legislation Yes / No
- c **Forward** this briefing to the LNG Ministerial Reference Group, comprising of the Minister of Finance, RMA Reform and Resources. Yes / No

Privacy of natural persons



Justine Cannon  
**GM, Energy Markets**  
Building, Resources and Markets, MBIE

29 / 01 / 2026

Hon Simon Watts  
**Minister for Energy**

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## Background

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1. As part of the NZ Energy Package, Cabinet agreed to proceed with the first phase of procurement for an LNG import facility (Action 1.1).
2. In December 2025, Cabinet considered an options analysis, informed by the procurement process, and agreed to:
  - a. proceed with the second phase of procurement for an accelerated delivery solution for an LNG import facility
  - b. delegate decisions on shortlisting proposals to yourself (the Minister for Energy)
3. Cabinet also noted that if the accelerated delivery pathway does not appear to be feasible, then the option of a full Request for Proposal process remains. This would likely mean delivery in 2029 or 2030.

## Shortlisted proposals

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4. Eight companies/proposals were shortlisted. As a next step, they were invited to submit a feasibility assessment to supply LNG facility services to New Zealand. This feasibility assessment is a key part of the process to sign a contract with a supplier of LNG facility services by mid 2026.<sup>1</sup>

Commercial Information



## Process Underway

7. MBIE has held clarification meetings with all of the firms listed above. Key points to note are as follows:

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<sup>1</sup> The final part of the procurement process is for a subset of these firms to provide final design, final pricing and to agree contractual terms.

<sup>2</sup> Worley New Zealand Limited have been engaged as our Client Engineer, providing technical support for assessment of proposals in the procurement process.

## COMMERCIAL IN CONFIDENCE

- The firms have been asked to analyse their solution against a common set of meteocean (wind, wave and current) data. This data is drawn from observations over the past 40 years
  - All firms have engaged with Port Taranaki, with two of them holding all day workshops with the Port
  - Achieving LNG delivery by June 2027 seems unlikely.
8. Submissions for the feasibility assessment are due with MBIE by end of play February 6. These submissions are likely to be complex – we will provide an update as soon as practicable following February 6 for yourself and the Ministerial Reference Group.

Commercial Information



## Legislative design to enable LNG

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15. The LNG Enabling Bill will require (up to) three components:
  - a. Granting of permissions (including any conditions) across a number of regulatory regimes, including resource management.
  - b. Enabling provisions Confidential to fund LNG import services, including the import facility.
  - c. (Potentially) integration with existing regulatory systems, such as the gas regulatory system.
16. Parts (b) and (c) are relatively straightforward. The granting of permissions is complex – both in terms of scope of permissions likely to be required, associated conditions, and interaction with the procurement/contracting process.
17. Annex two sets out three options for legislative design that would support a more rapid passage. The Bill can be accelerated by a combination of:
  - a. Limiting the number of proposals in the procurement process thus enabling necessary permissions and conditions to be confirmed sooner and included in the Bill
  - b. creating a process in the Bill by which permissions will be granted (and the associated conditions).
18. The key trade-offs are:
  - a. Maintaining competitive tension in the procurement process
  - b. Certainty for the investor on conditions associated with permissions at the point a contract is signed
  - c. The scope for judicial review (any process for decision-making outside of the Bill/Act could be challenged on grounds of process, or reasonableness of decision-making).
19. All options will still need to be developed alongside the project progress, and work through consequential amendments to other legislation.
20. Constitutional conventions

## Next Steps

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21. Confidential advice to Government
22. In the interim, MBIE will assess the next submissions for the shortlisted options, and continue to develop the detail of the legislation.

## Annexes

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Annex One: Summary of the proposals received

Annex Two: Overview of legislative design options

## **Annex One: Summary of the proposals received**

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## Annex Two: Accelerating the LNG Enabling Bill

### 1) Context

- A LNG Bill is needed to provide speed and certainty of permissions ahead of its Confidential advice to [redacted] and to satisfy any contractual conditions
- Exact permissions required will depend on whether the facility is within Port Taranaki or offshore, its design and effects. Government may wish to:
  - facilitate some permissions (e.g. environmental - impact assessments are due February)
  - accelerate others Confidential advice to Government
- Confidential advice to Government

### 2) Options

- The Bill could be accelerated by a combination of either:
  - Limiting the number of proposals in the procurement process, enabling the permissions to be identified earlier, or
  - Bill providing a process to grant permissions and associated conditions (e.g. through an expert panel)
- Trade-offs between options include
  - Speed at which final permissions will be provided,
  - Scope for judicial review
  - Maintaining the benefits of an open procurement process
  - Time for the Bill's development and passage

### 3) Comparing Options

Option	Procurement approach	Impact on procurement	Certainty for investor	Judicial Review (JR)	Bill development
<b>1. Bill sets out detailed permissions</b>	Option feasible if procurement limited to <b>one provider</b>	Removes competition, risking increasing cost. Risks excluding options prior to completion of full feasibility test	Bill puts permissions in place on enactment	Little grounds for JR	Large and complex Bill to develop. Significant risks to quality Confidential advice
<b>2. Bill sets out detail and process for further permissions</b>	Option best suited for <b>2-3 providers</b> of similar design (i.e. all offshore or in Port)	Maintains competitive pressure. Risks excluding options prior to completion of full feasibility test	Some, but not all, permissions in place on enactment	Scope for JR depends on extent to which additional permissions are required. Grounds for JR: adherence to process and reasonableness of decision-making	Complex Bill to develop. Material risks to quality and Confidential
<b>3. Bill creates a process (e.g. Panel) to provide permissions</b>	Option could support process for a <b>number of proposals</b> of different designs	Maintains competitive pressure. Keeps range of technology in process	Permissions only in place once (panel) process completed (approvals can be guaranteed, but not conditions)	All decisions could be JR-ed. Grounds for JR: adherence to process and reasonableness of decision-making	Smaller and less complex Bill to develop. Risks to Confid Confidential advice to Government

### 4) Considerations across all options

<b>Relationship to contract</b> (timing and alignment)	Contract is expected to contain condition precedents. We will not know with certainty how options will satisfy conditions until contract finalised
<b>Consequential amendments</b>	It may be necessary to modify related legislation in order to remove barriers to the development and operation of a facility. Some changes/requirements may not be known until procurement process completed (or procurement focusses on one proposal)
<b>Legislative development and passage</b>	All options require PCO capacity and House time (with variations on level of complexity as noted above)

### 5) Next steps

- Officials to provide further advice for possible testing with **March meeting of Ministerial Group** in light of:
  - assessed ADS proposals (due end February) ; and
 Confidential advice to Government