

**BEFORE THE INDEPENDANT HEARINGS PANEL  
APPOINTED BY TAUPŌ DISTRICT COUNCIL**

**UNDER THE MATTER** of the Resource Management Act 1991

**AND**

**IN THE MATTER** of the Proposed Plan Changes 38 and 42 to  
the Taupō District Plan

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**SUPPLEMENTARY INFORMATION IN RESPONSE TO QUESTIONS FROM THE  
INDEPENDENT HEARINGS PANEL**

**FROM NICOLA IRENE FORAN ON BEHALF OF MANAWA ENERGY LIMITED**

**DATED 25 AUGUST 2023**

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1. This supplementary information is provided in response to questions from the Independent Hearings Panel regarding the requirements to increase the amount of renewable electricity generation in order to respond to the Government's Climate Change objectives and targets, and in particular the legislative settings for this.
2. During questions from the Independent Hearing Panel, I indicated that I understood the requirements stem from the Climate Change Response Act 2002, which was amended by the Zero Carbon Amendment Bill in 2019. I understood this amendment introduced the concept and requirements for an Emissions Reduction Plan to be developed, and that the Emissions Reduction Plan steps out how the legislated Emissions Reduction Target is to be met, over the next 4 decades.
3. I have outlined the key aspects of this legislation and have attempted to illustrate the various elements within the legislation and plans, which when put together demonstrates the need for an increase in the amount of electricity generated from renewable energy sources.
4. The overarching piece of legislation is the Climate Change Response Act 2002 ("**the Act**"). This was introduced to formalise the New Zealand government's commitment agreed to as part of the Paris Climate Change Agreement.
5. This Act was then amended through the Climate Change Response (Zero Carbon) Amendment Act 2019 ("**Zero Carbon Amendment**"), to set the framework for New Zealand's transition to a low emissions and climate resilient economy. A key element of the Zero Carbon Amendment was to legislate an emission reduction target for greenhouse gases.
6. The purpose<sup>1</sup> of the Climate Change Response Act is to:
  - (aa)<sup>2</sup> *provide a framework by which New Zealand can develop and implement clear and stable climate change policies that—*
    - (i) *contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels; and*
    - (ii) *allow New Zealand to prepare for, and adapt to, the effects of climate change:*
  - (a) *enable New Zealand to meet its international obligations under the Convention, the Protocol, and the Paris Agreement, including (but not limited to)—*
    - (i) *its obligation under Article 3.1 of the Protocol to retire Kyoto units equal to the number of tonnes of carbon dioxide equivalent of human-induced greenhouse*

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<sup>1</sup> Section 3 of the Climate Change Response Act 2002

<sup>2</sup> Clause (aa) was inserted through the Climate Change Response (Zero Carbon) Amendment Act 2019

*gases emitted from the sources listed in Annex A of the Protocol in New Zealand in the first commitment period starting on 1 January 2008 and ending on 31 December 2012; and*

- (ii) its obligation to report to the Conference of the Parties via the Secretariat under Article 12 of the Convention, Article 7 of the Protocol, and Article 13 of the Paris Agreement:*
- (b) provide for the implementation, operation, and administration of a greenhouse gas emissions trading scheme in New Zealand that supports and encourages global efforts to reduce the emission of greenhouse gases by—*
  - (i) assisting New Zealand to meet its international obligations under the Convention, the Protocol, and the Paris Agreement; and*
  - (ii) assisting New Zealand to meet its 2050 target and emissions budgets:*
- (c) provide for the imposition, operation, and administration of a levy on specified synthetic greenhouse gases contained in motor vehicles and also another levy on other goods to support and encourage global efforts to reduce the emission of those gases by—*
  - (i) assisting New Zealand to meet its international obligations under the Convention, the Protocol, and the Paris Agreement; and*
  - (ii) assisting New Zealand to meet its 2050 target and emissions budgets.*

7. The Zero Carbon Amendment also introduced Part 1B into the Climate Change Response Act, which legislated the requirements for emissions reduction and the preparation of an emissions reduction budget and associated plans.

8. Of relevance to this hearing and discussion on the future needs of renewable electricity generation, is the legislated target for emissions reduction by 2050, often referred to as the 'Net Zero 2050 target' which states [**my emphasis added**]:

**5Q Target for 2050**

- (1) The target for emissions reduction (the 2050 target) requires that—*
  - (a) **net accounting emissions of greenhouse gases in a calendar year, other than biogenic methane, are zero by the calendar year beginning on 1 January 2050 and for each subsequent calendar year;** and*
  - (b) emissions of biogenic methane in a calendar year—*
    - (i) are 10% less than 2017 emissions by the calendar year beginning on 1 January 2030; and*
    - (ii) are 24% to 47% less than 2017 emissions by the calendar year beginning on 1 January 2050 and for each subsequent calendar year.*
- (2) The 2050 target will be met if emissions reductions meet or exceed those required by the target...*

9. Subpart 2 of the Act sets out the requirements for setting emissions budgets, which includes a requirement on the Minister (responsible for the administration of this Act) to set a series of emissions budgets under section 5W:

- (a) with a view to meeting the 2050 target and contributing to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels; and*

- (b) *in a way that allows those budgets to be met domestically; and*
  - (c) *that provides greater predictability for all those affected, including households, businesses, and investors, by giving advance information on the emissions reductions and removals that will be required.*
10. This part of the Act then goes on to outline the duty of the Minister to set emissions budgets to be set over several time periods from 2022 until 2050 (at s.5X), and outlines the contents of emissions budgets (at s.5Y), and how these emissions budgets are to be met at s.5Z:
- (1) *Emissions budgets must be met, as far as possible, through domestic emissions reductions and domestic removals...*
11. Of particular relevance for the hearings panel, is s.5ZN which provides the following:
- 5ZN 2050 target and emissions budget are permissive considerations**  
*If they think fit, a person or body may, in exercising or performing a public function, power, or duty conferred on that person or body by or under law, take into account—*
- (a) *the 2050 target; or*
  - (b) *an emissions budget; or*
  - (c) *an emissions reduction plan.*
12. As required by s.5ZG<sup>3</sup>, the first Emissions Reduction Plan was prepared and published by the Ministry for the Environment in May 2022.
13. The Emissions Reduction Plan outlines New Zealand’s strategy for reducing emissions, and the key steps the government is taking to put this plan in to action. The plan covers a wide range of sectors including transport, energy and industry, building and construction, agriculture, forestry, waste, and fluorinated gases.

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<sup>3</sup> **5ZG Requirement for emissions reduction plan**

- (1) *For each emissions budget period, the Minister—*
  - (a) *must prepare and make publicly available a plan setting out the policies and strategies for meeting the relevant emissions budget; and*
  - (b) *may include in the plan policies and strategies for meeting any emissions budgets that have been notified under section 5ZD for the 2 emissions budget periods after that.*
- (2) *The plan must be prepared and made publicly available by the deadlines specified in section 5ZL.*
- (3) *The plan must include—*
  - (a) *sector-specific policies to reduce emissions and increase removals; and*
  - (b) *a multi-sector strategy to meet emissions budgets and improve the ability of those sectors to adapt to the effects of climate change; and*
  - (c) *a strategy to mitigate the impacts that reducing emissions and increasing removals will have on employees and employers, regions, iwi and Māori, and wider communities, including the funding for any mitigation action; and*
  - (d) *any other policies or strategies that the Minister considers necessary.*

14. For the purpose of this process, I will focus on the key aspects that relate to renewable electricity generation.

15. The executive summary of “Aotearoa New Zealand’s First Emissions Reduction Plan” makes the following comments:

*This document is Aotearoa New Zealand’s first emissions reduction plan. It contains strategies, policies and actions for achieving our first emissions budget, as required by the Climate Change Response Act 2002.*

*In doing so, it also outlines how we intend to play our part in global efforts to limit warming to 1.5°C above pre-industrial levels.*

*This plan responds to the recommendations of He Pou a Rangi – Climate Change Commission (the Commission) in its report, Ināia tonu nei: a low emissions future for Aotearoa.*

*It also builds on the Productivity Commission’s 2018 report, Low-emissions economy; the cross-government response (commonly known as the Climate Action Plan 20191); and the Interim Climate Change Committee’s 2019 reports, Accelerated electrification and Action on agricultural emissions...<sup>4</sup>*

16. Chapter 11 of the Emissions Reduction Plan sets out the key actions for the Energy and Industry sector.

17. The Energy and Industry contribution is articulated as follows:

Contribution to our long-term vision

*By 2050, our energy system is highly renewable, sustainable and efficient, and supports a low-emissions and high-wage economy. Energy is accessible and affordable and supports the wellbeing of all New Zealanders. Energy supply is secure, reliable and resilient, including in the face of global shocks.<sup>5</sup>*

18. The chapter then goes on to outline the key actions for the Energy and Industry sector, which of relevance to renewable electricity are:

*Ensure the electricity system is ready to meet future needs by:*

- *investigating the need for electricity market measures to support the transition to a highly renewable electricity system and investigating options for electricity storage in dry years*
- *reducing barriers to developing and efficiently using electricity infrastructure, including transmission and distribution networks*
- *supporting renewable and affordable energy in communities through the Māori and Public Housing Renewable Energy Fund.<sup>6</sup>*

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<sup>4</sup> Aotearoa New Zealand’s First Emissions Reduction Plan, 2022, Page 8

<sup>5</sup> Aotearoa New Zealand’s First Emissions Reduction Plan, 2022, Page 200

<sup>6</sup> Aotearoa New Zealand’s First Emissions Reduction Plan, 2022, Page 201

*Reduce our reliance on fossil fuels and exposure to volatile global fuel markets, and support the switch to low-emissions fuels by:*

- *setting a pathway to reduce reliance on fossil gas through a gas transition plan*
- *increasing access to low-emissions fuels, including developing a hydrogen roadmap.<sup>7</sup>*

*Reduce emissions and energy use in industry by:*

- *supporting industry to improve energy efficiency, reduce costs and switch from fossil fuels to low-emissions alternatives through the Government Investment in Decarbonising Industry fund and the Energy Efficiency and Conservation Authority's business programmes*
- *banning new low- and medium-temperature coal boilers and phasing out existing ones by 2037.<sup>8</sup>*

*Set a strategy and targets to guide us to 2050 by:*

- *setting a target for 50 per cent of total final energy consumption to come from renewable sources by 2035<sup>11</sup> developing an energy strategy to address strategic challenges in the energy sector and signal pathways away from fossil fuels.<sup>9</sup>*

19. This chapter then continues to make the following commentary:

*The Government's 2050 vision for energy and industry is for Aotearoa New Zealand to have a highly renewable, sustainable and efficient energy system supporting a low-emissions economy.*

*To achieve this future, Aotearoa needs to move away from fossil fuels and shift towards increased renewable electricity generation, and the development and use of other low-emissions fuels.<sup>10</sup>*

20. The Emissions Reduction Plan then outlines the action being taken within the Energy and Industry to reduce energy and industrial emissions, which are expressed as five focus areas, which “*will help achieve a low-emissions energy system that supports New Zealanders' wellbeing*”<sup>11</sup>

21. Of relevance to renewable electricity is the following focus area and actions [**my emphasis added**]:

***Focus area 2: Ensure the electricity system is ready to meet future needs***

*Our high level of renewable generation means our electricity system is well positioned to help other sectors – such as transport and industry – move away from fossil fuels and reduce emissions.*

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<sup>7</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 202

<sup>8</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 202

<sup>9</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 202

<sup>10</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 203

<sup>11</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 208

Transpower New Zealand estimates **Aotearoa will need 70 per cent more renewable generation** to electrify process heat and transport, and decarbonise the economy.<sup>12</sup>

To transition our electricity system to 2050, we need to:

- **accelerate development of new renewable electricity generation across the economy**
- **ensure the electricity system and market can support high levels of renewables**
- support development and efficient use of transmission and distribution infrastructure to further electrify the economy.<sup>13</sup>

**Action 11.2.1: Accelerate development of new renewable electricity generation across the economy**

*Aotearoa will need to generate more electricity from existing low-emissions technologies such as wind and solar. We will also need to increase our use of new technologies, for example offshore wind, and adopt electricity storage technologies such as pumped hydro and large-scale batteries.*<sup>14</sup>

22. As outlined in this supplementary information, there is a legislative requirement to reduce greenhouse gas emission to 'net zero' by 2050. This was introduced through the Climate Change Response (Zero Carbon) Amendment Act 2019. The way New Zealand will achieve this is set out in Emissions Budgets, with the first Emissions Reduction Plan setting out key focus areas for achieving this.
23. The Emissions Reduction Plan notes that New Zealand's existing high level of renewable electricity generation means we are well placed to help other sectors reduce their emissions. The plan also outlines the requirement to support the economy in its transition to decarbonise and electrify.
24. I trust that the Independent Hearing Panel finds this supplementary information helpful in understanding further the requirements of the Climate Change Response Act and the Emissions Reduction Plan, and why Manawa Energy is seeking a District Planning framework that recognises the importance of and supports renewable electricity generation.

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<sup>12</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 211: Transpower New Zealand. 10 February 2021. [A Roadmap for Electrification: Decarbonising transport and process heat](https://www.transpower.co.nz/sites/default/files/publications/resources/Transpower_Electrification%20Roadmap_SCREEN3_LR.pdf). Retrieved from [https://www.transpower.co.nz/sites/default/files/publications/resources/Transpower\\_Electrification%20Roadmap\\_SCREEN3\\_LR.pdf](https://www.transpower.co.nz/sites/default/files/publications/resources/Transpower_Electrification%20Roadmap_SCREEN3_LR.pdf) (accessed 21 April 2022).

<sup>13</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 211

<sup>14</sup> Aotearoa New Zealand's First Emissions Reduction Plan, 2022, Page 212