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Transpower New Zealand

Email: [REZ@transpower.co.nz](mailto:REZ@transpower.co.nz)

To whom it may concern

### **Renewable Energy Zones – National Consultation 2022**

Horizon Networks (HN) welcomes the opportunity to submit on the concept of establishing renewable electricity zones, that would facilitate the connection of renewable energy generators to help NZ achieve a low carbon energy future.

In principle, we support the concept of establishment of REZ as a way of signaling to generators and load customers that the technical, commercial, legal and contractual frameworks in these zones will be equitable and removes the notion and the current pressure that exist with being the first mover. The notion of first mover disadvantage is real and is currently a deterrent to enabling the connection of renewable generation.

Prior to addressing the questions on page 43 of the Renewable Energy Zones National Consultation document, we would like to add that over the last 2 years, HN has been at the forefront of facilitating the connection of renewable generation. Our recently released technical and commercial connection standards, reflects our commitment to streamlining the process for generators who wish to embed their generation into the distribution network.

We note from the consultation documents (*page 21*), that our region has been identified as one that has “potential for renewable energy clusters based on recent announcements”. HN has received over 500MW enquiries for new renewable energy projects, and few projects proceeding with final applications which we believe should see our region reclassified as one that is prime candidate for the establishment of REZ, given our proximity to the grid and concentration of industrial customers.

HN has also undertaken feasibility studies on the concept of building “collector substation(s)” and the development of common connection and interconnection assets at a distribution level, to avoid the first mover disadvantage and to facilitate the connection of the many renewable energy generators in an equitable manner. These have been provided to Transpower and we would welcome an opportunity to engage further on this.

Our response to the specific questions is listed below:

**Q1. Do you agree that the first mover disadvantage and high connection costs can be challenges for connecting new renewable generation and/or large electricity loads to the electricity network?**

Yes

**Q2. Do you think the concept of a Renewable Energy Zone could be beneficial in a New Zealand context?**

Yes.

**Q3. What region(s) do you think would be suited to Renewable Energy Zones?**

The Eastern Bay of Plenty needs to be included as REZ, given the significant number of enquiries received over the last 2 years with several developers at the various stages of land acquisition, funding and consenting process.

**Q4. What benefits do you think should be considered in the decision-making process for Renewable Energy Zones in New Zealand?**

In addition to the benefits already mentioned:

- The ability to deliver improved social and economic outcomes in the Region; and
- Oversizing for future growth

Consideration should be included in the REZ application/qualifying process.

**Q5. Do you agree with the proposed guiding principles? Are there any that you would change or add?**

Yes, agree. No change or addition we can think of.

**Q6. Do you agree with the proposed criteria for selecting suitable regions for REZ development? Are there any that you would change or add?**

Yes, agree. No change or addition we can think of.

**Q7. Do you agree with using a tender process for committing projects in a REZ? Are there alternative processes that could be considered?**

Yes, agree. However, it is unclear how this tender process would be aligned and/or reflected in part 6 of The Code, which has specific roles defined for EDBs.

**Q8. Who should be involved with coordinating and undertaking the various steps within a REZ development process?**

Transpower and EDBs.

**Q9. Do you agree with the proposed project criteria? Are there any that you would change or add?**

Yes, agree. However, it is unclear how the project criteria would be aligned and/or reflected in part 6 of The Code which has specific roles defined for EDBs.

**Q10. Do you agree with the challenges we have identified?**

Yes.

**Q11. What are some of the ways to overcome these challenges and who should be involved?**

We agree that solutions identified in the consultation document can help overcome these challenges. Local EDBs and other stakeholders should be involved.

**Q12. Do you see any other potential challenges that need to be considered?**

At this stage, the level of EDB involvement required is unclear and we require more information.

For any further questions, please do not hesitate to contact me.



Waqar Qureshi

**General Manager Network & Technology**