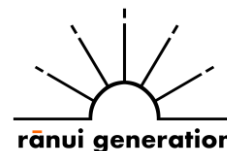


# Response to Northland Pilot REZ consultation



## INTRODUCTION

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Rānui are a developer of renewable energy projects in New Zealand with a focus on utility scale solar projects. Our headquarters is in the Far North and we are proud of our first project is located outside Kaitaia. We are developing multiple other solar farms across New Zealand.

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## RESPONSE

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Q1.

Do you support the development of a pilot REZ in Northland? Please provide your reasons as to why or why not.

Yes, Northland has abundant solar and wind resource which is limited by grid infrastructure. It has some of the highest electricity tariffs in New Zealand and is well positioned to help supply the country's major demand centre in Auckland.

On top of that Northland is in need of development assistance. Between 2013 and 2018 census it was the region with the fastest growing population in NZ. Despite this growth it is also the region with the lowest per capita GDP. With some of New Zealand's poorest communities the Far North's high tariffs are a major challenge for many locals.

Encouraging development in a region with abundant renewable resource, high electricity prices, high levels of energy poverty and proximity to the Auckland market looks like a good idea.

Q2.

What potential benefits of a REZ are important to you? Consider economic, social, cultural and environmental factors.

Environmental: It is urgent the world moves to net zero as soon as possible. Some of the easiest wins in NZ are through increased electrification and increased renewables penetration in the generating mix.

Economic: Northland as NZ poorest region is saddled with the highest energy bills. A REZ in Northland would help encourage greater development and would likely help lower power prices.

Q3.

What potential costs of a REZ are important to you? Consider economic, social, cultural and environmental factors.

Q4.

Do you support enabling developments through upgrades to existing lines and substations as demand for connections to the networks emerge? If not, what alternatives would you propose?

We support upgrades and where necessary new lines. We note however that for example the Kaeo to Kaitaia line proposed was already proposed and planned by Top Energy. We do not think that it should be the responsibility of renewable energy generators to pay for infrastructure that is anyway desirable to ensure security of supply to customers.

NZ government climate change policy has two large goals: 100% RE generation and 100% EV (new to NZ cars), both by 2035. This involves not only much greater renewable generation but also much greater electricity demand. We therefore think that assignment of costs needs to be very carefully considered between new renewable energy projects and demand side. NZ RE projects struggle to secure long term PPAs due to the nature of the market. This means financing arrangements tend to be shorter term than in other jurisdictions where long term PPAs are available. Given this generation projects with limited secure cashflow to support financing arrangements are not best placed to finance these infrastructure needs. Longer term financing through grid companies, with much lower costs of capital and much greater long term ability to recover cost would be preferable.

Q5.

If new lines needed to be built to connect resources, where should they be constructed/not constructed?

With intermittent generation it is necessary to ensure there is a reasonably wide geographic spread of generation so that localized intermittency in weather has limited impact on the grid. We would therefore support a focus on improving connectivity to the Top Energy network as a priority. It provides excellent resource and when combined with Dargaville and Marsden areas (which already have reasonable capacity available) would give greater security of supply to the overall system.

Where possible along road corridors. As part of REZ it should be considered applying pressure to Waka Kotahi to be more supportive. In our experience they have been the government agency least supportive and rational in approach to renewable energy development.

Q6.

Are there alternative proposals that you think we should consider?

Q7.

Do you have development projects that a REZ might assist you to construct and connect?

Yes, in Far North region.