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Submission on the NZGP1 Stage 1 Shortlist Consultation Document 2022

Venture Taranaki is the regional development agency for the Taranaki region, encompassing a wide range of activities spanning local and regional economic development and strategy, enterprise innovation and growth, regional promotion and investment, sector development and major event attraction. Venture Taranaki is a Council Controlled Organisation of the New Plymouth District Council, is governed by an independent Board of Trustees, and guided by Te Tiriti o Waitangi.

We have extensive involvement with the energy industry, particularly in the Taranaki region. This includes active involvement in national representative bodies (such as the Wind Energy Association), regular engagement with traditional energy companies, and also frequent interactions with many of the new developers and energy players considering rapidly emerging technology and investments.

The latter encompasses hydrogen, offshore wind, industrial solar and many others. Venture Taranaki has underpinned these developments through the release of documents such as the H2 Taranaki Roadmap; the Offshore Wind potential for Taranaki; and Power to X concept paper, as well as hosting two national conferences dedicated to Offshore Wind.

New Zealand has world class offshore wind resources off the South Coast of Taranaki and utilising this resource could be a key factor to help New Zealand reach net zero 2050 targets. This renewable electricity potential of New Zealand not only adds to our energy security, but it also opens the door to immense Power to X pathways such as green product manufacturing (replacing those utilising fossil fuels); attracting energy intensive industries and fostering new export opportunities. Various related projects such as the Hiringa-Ballance wind/urea project at Kapuni, are already underway

1. Do you agree with our staged approach to this major capital investment programme?

Venture Taranaki acknowledges the mahi already completed by Transpower to understand the role it will play in supporting Aotearoa New Zealand's energy transition and net zero emissions future.

To underpin our energy industry and the decarbonisation of New Zealand, improvements need to be made to the transmission networks connecting Taranaki, both northwards and southwards.

We accept a staged approach to this major capital investment programme make sense.

Critically, however, this programme also needs to appreciate both the pace and scale of change already underway and interface across the energy landscape.

Venture Taranaki believes this has not been adequately accommodated, due to a significant short coming with the NZGP1 process, in that it has been based on dated EDGS information. The

assumptions of the EDGS – which stem from a 2019 base, with some review in 2020, have not kept pace with the recent, keen investment interest and proposed scale of offshore wind development signaled for New Zealand, or development trends that can be seen internationally.

For example, in 2019 there were no publicly identified offshore wind developers in New Zealand. Since then, Venture Taranaki released the offshore Wind report highlighting the world-class offshore wind resource that exists. Now there are at least five credible groups actively pursuing the Taranaki opportunity.

We therefore encourage both Transpower and the Commerce Commission to further consider developments in the offshore wind space, taking into account the likelihood of significant generation being added to the grid in Taranaki from multiple large-scale projects within the next decade.

With this in mind, Venture Taranaki supports the primary areas as part of NZGP1 should include:

- Bunnythorpe to Huntly (possibly via Taranaki), including diversification of the Bunnythorpe substation;
- Huntly-Stratford protection replacement;
- Brunswick-Stratford lines; and
- A new connection between Taranaki (North Island) and Nelson (South Island), despite this being likely considered as part of NZGP Phase 2.

Venture Taranaki supports a staged approach but believes the process should take the offshore wind opportunity into account – in particular the grid improvements necessary to enable offshore wind development in Taranaki – as well as the broader opportunities concerning how that energy could be used.

Venture Taranaki also acknowledges that this is a large and significantly complex process that requires the consideration of many other projects and actions, such as the possible development of Lake Onslow and uncertainty surrounding the future of Tiwai Point Aluminium smelter.

However, key options should include infrastructure that facilitates the transmission of electricity from Taranaki to other regions to support demand centres, alleviate dry year pressures, underpin storage possibilities and enables our country to become an attractive location for Power to X and hydrogen developments to establish and realise their potential.

We look forward to further consultation and engagement in the future.

For any questions, or to discuss this submission further, please contact Anne Probert, General Manager Regional Strategy and Sectors – anne@venture.org.nz.

Yours sincerely



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