

# Hon Dr Megan Woods

MP for Wigram

Minister of Housing

Minister of Energy and Resources

Minister of Research, Science and Innovation

Associate Minister of Finance



28 April 2021

OIA21-070

Liz Simons

[fyi-request-15047-e57f153e@requests.fyi.org.nz](mailto:fyi-request-15047-e57f153e@requests.fyi.org.nz)

Dear Ms Simons

Thank you for your email of 31 March 2021, requesting the following under the Official Information Act 1982 (the Act):

*Last year an energy scheme at Lake Onslow in Central Otago was touted as a game changer that could create thousands of jobs. It was also stated that there would be a business case and investigation into its viability. I request under the Official Information Act who has been appointed to assess the viability of this project, and undertake the business case, and what progress has been made to date.*

The Ministry of Business, Innovation and Employment (MBIE) has established the New Zealand Battery Project (NZ Battery Project). The purpose of the NZ Battery Project is to find the best option for New Zealand to manage dry year risk in order to support the move to 100 per cent renewable electricity.

The NZ Battery will do this by providing comprehensive advice on the technical, environmental and commercial feasibility of a range of options including pumped hydro at Lake Onslow, pumped hydro elsewhere, and other potential energy generation and storage projects.

The NZ Battery Project has a three phase approach. The first phase (Phase 1) is a feasibility study intended to identify the best option (or combination of options) to manage or mitigate dry year risk, including pumped storage at Lake Onslow. Phase 1 is expected to be completed in April/May 2022.

MBIE has established an internal project team to deliver the Phase 1 feasibility study. This project team will also be supplemented by external expertise.

The following work is currently underway:

- A review of the environmental, landscape, recreation and other values at Lake Onslow;
- Work to better understand the size of the dry year risk in a 100 per cent renewable electricity system, and the potential implications of a large battery on the electricity market;
- Procurement planning and preparation for a geotechnical and engineering investigation at Lake Onslow;
- Early work to identify other potential locations for pumped hydro in New Zealand;
- Research on other energy generation and storage projects to compare to pumped hydro, and;
- Engagement with iwi, land owners, industry participants and other stakeholders.

MBIE are also establishing a Technical Reference Group that is made up of energy, mātauranga Māori and environmental expertise to inform and support the NZ Battery Project.

Updates on the progress of the NZ Battery Project, including pumped hydro schemes at Lake Onslow, are available at:

[www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/nz-battery](http://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/nz-battery). You can also sign up to receive the latest updates on the NZ Battery Project at: <https://confirmsubscription.com/h/r/03F332338AC8001E2540EF23F30FEDED>.

You have the right to seek investigation and review of my decision by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found at: [www.ombudsman.parliament.nz/](http://www.ombudsman.parliament.nz/).

Warm regards



Hon/Dr Megan Woods  
**Minister of Energy and Resources**