



14 December 2022

Ref: DOIA 2223-1034

Andrew

Email: fyi-request-21131-8db0c59a@requests.fyi.org.nz

Tēnā koe Andrew

Thank you for your email of 16 November 2022 to the Ministry of Business, Innovation and Employment (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information (numbered for reference):

I request under the Official Information Act what process has been made on the Lake Onslow Power Scheme.

- 1. Specifically what are the next steps, when and who will make a final decision on whether the project will proceed and when construction will begin.*
- 2. Additionally will a decision be made before the next election and next budget.*
- 3. Will all of the funds be appropriated and set aside along with construction contracts entered and farm/land owners reimbursed before the next election.*
- 4. Has the Ministry taken into account NZ's wider climate emissions targets in its consultation. Has the Ministry consulted with the Ministry for the Environment and the Climate Change Commission.*
- 5. Has funding for the project also been sought from the Reserve Bank of New Zealand's green bond facility. Or from the proceeds from the emissions trading scheme.*

The "Lake Onslow Power Scheme" is a workstream within the NZ Battery Project. The NZ Battery Project will provide comprehensive advice on the technical, environmental and commercial feasibility of pumped hydro and other potential energy storage projects.

Some of the information you requested is publicly available on the Ministry's website, therefore I am refusing these parts of your request under section 18(d) of the Act. The links to this information are provided below for your reference.

Please see the Ministry's response to your request:

Question 1: Specifically what are the next steps, when and who will make a final decision on whether the project will proceed and when construction will begin.

Information on the next steps in the NZ Battery Project can be found here: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/nz-battery/>. Decisions on the NZ Battery Project, including a Final Investment Decision (if the Project proceeds to that stage) will be made by Cabinet. Information on the timing of decisions can be found here: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/nz-battery/>.



Question 2: Additionally will a decision be made before the next election and next budget.

Information on the likely timing of decisions in the NZ Battery Project is available at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/nz-battery/>.

The next Budget is expected in May 2023 (see <https://www.treasury.govt.nz/information-and-services/financial-management-and-advice/budgets-and-forecasts>). The date for the next election has not yet been announced but is expected to be in late 2023.

Question 3: Will all of the funds be appropriated and set aside along with construction contracts entered and farm/land owners reimbursed before the next election.

Funds appropriated to date are for the initial, investigatory phases of the project. Further funds would need to be appropriated for future steps. Information on the timing of project decisions can be found at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/nz-battery/>.

Question 4: Has the Ministry taken into account NZ's wider climate emissions targets in its consultation. Has the Ministry consulted with the Ministry for the Environment and the Climate Change Commission.

Yes. The NZ Battery Project relates to the Government's manifesto commitment to investigate dry year storage solutions to maximise renewable electricity in order to provide a pathway to 100 per cent renewable electricity in New Zealand. It also supports our commitment to reduce greenhouse gas emissions under the Paris Agreement. However, note that a Climate Implications of Policy Assessment (CIPA) is not required at this stage of the NZ Battery Project.

The Ministry has consulted with the Ministry for the Environment but not the Climate Change Commission at this stage of the project.

Question 5: Has funding for the project also been sought from the Reserve Bank of New Zealand's green bond facility. Or from the proceeds from the emissions trading scheme.

No. Cabinet agreed to fund the NZ Battery Project as an Infrastructure Reference Group (IRG) 'shovel ready' initiative [CAB-20-MIN-0341 refers]. The \$100.08 million funding bid supported the development of a feasibility study for Lake Onslow pumped hydro and other options to ensure reliable supply in a 100 per cent renewable electricity system, leading to the development of a Final Investment Decision should the feasibility study be supported. A Final Investment Decision (if the NZ Battery Project proceeds to that stage) would include consideration of sources of funding, and appropriation of funds.

The New Zealand Sovereign Green Bonds Programme (the Programme) provides 'finance', not funding for government project. The framework outlining the Government's climate and environmental priorities and setting the basis for identifying, evaluating, selecting and reporting on expenditures included in the Programme is publicly available at: <https://debtmanagement.treasury.govt.nz/resource/new-zealand-sovereign-green-bond-framework>.

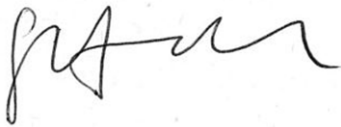
Please also note that the inaugural issuance is expected in late 2022:

<https://debtmanagement.treasury.govt.nz/investor-resources/new-zealand-sovereign-green-bond-programme-launched>.

If you wish to discuss any aspect of your request or this response, or if you require any further assistance, please contact OIA@mbie.govt.nz.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'SH', is centered on the page.

Susan Hall
Director, Projects and Programmes
Energy and Resource Markets