



# SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



## NZ Budget Boost for Offshore Wind Sector

Creation of a regulatory framework for offshore wind energy, alongside development of a comprehensive energy strategy and hydrogen “roadmap”, have been targeted for a NZ\$18 million allocation within the New Zealand Government’s latest Budget.

The three-year allocation will help set foundations for “future decarbonisation and high-value economic opportunities”, stated official Budget 2020 documentation.

“Creating a clear regulatory environment will support new investment, regional development and highly-skilled jobs, while providing more renewable energy options to support our transition to a low-emissions economy,” it stated.

“The new regulatory framework for offshore renewable energy will provide a more certain consenting process that balances the impact of offshore renewable investment with other priorities such as fisheries and marine protection.

“Hydrogen as a fuel could enable the decarbonisation of hard-to-electrify sectors such as heavy freight and steel – the roadmap will provide the nascent green hydrogen sector with further clarity on how the Government will support a pathway to an economically-sustainable market for hydrogen.

“Together with the energy strategy, these initiatives are an opportunity to ensure that actions to decarbonise our economy are co-ordinated and considered across the whole energy system.”

### ***Regulatory Framework Development Welcomed***

The NZ Super Fund and Copenhagen Infrastructure Partners (CIP) have embraced the Government’s regulatory environment commitment, as the entities assess the feasibility of an initially 1GW offshore wind development off the South Taranaki Bight.

NZ Super Fund CEO Matt Whineray says a workable regulatory framework will provide important certainty to the investors.

“It gives us an extra level of assurance as we work our way through the project feasibility evaluation process,” he says.

“CIP has extensive wind energy experience from the approximately 30GW of offshore capacity it has in development and construction around the world. A key enabler of that work is a supportive regulatory framework that allows considered and sustainable use of the marine environment.

“The development of a regulatory framework for offshore wind in New Zealand is a critical step for a project that will help the country take a significant stride towards meeting its clean energy ambitions.

“We’re already engaging with Government officials about regulatory issues and we look forward to that process now gaining further momentum.”

Mr Whineray says offshore wind energy has the potential to be an attractive commercial opportunity for the NZ Super Fund.

“And one that aligns with its climate change investment strategy, as well as supporting Government’s 100% renewable energy commitment and its target of net-zero emissions by 2050.”

He adds that the partners are currently assessing the suitability of a target offshore area for the planned South Taranaki Bight project – which would be expected to deliver 11% of New Zealand’s current operational electricity generation capacity.

“Subject to approvals and engagement, later this year we will look to deploy environmental measurement equipment that will supplement work already done to assess the suitability of the area for generation. More details on that will be released in due course.

“We look forward to working with Government, iwi, local authorities and interested parties such as recreational and commercial fishers, shipping, business and environmental organisations on our plans to support New Zealand’s energy transition.”

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