

## Submission on EECA's 2018/19 levy funding proposal and related work programme

NZ Wind Energy Association

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Submissions  
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### Introduction

1. The New Zealand Wind Energy Association (NZWEA) appreciates the opportunity to comment on EECA's draft 2018/19 levy funding proposal and related work programme.
2. NZWEA also submitted on the draft NZ Energy Efficiency and Conservation Strategy (NZEECS) 2017 - 2022 and is very supportive of EECA's strategic direction to unlock New Zealand's energy productivity and renewable potential.

### Comments

3. NZWEA feedback relates to the proposed work programme. The Association does not have any specific feedback on the levy funding proposal other than the level of funding should to be appropriate to ensure NZEECS priority area targets are met.
4. The Association notes that the reference point for the work programme is the recently approved NZEECS and the three priority areas of process heat, transport and use of electricity and supports these as being the key areas of focus.
5. The NZEECS also contains targets for each of the priority areas which are to be achieved over a multi-year period which ranges through to 2021 for EV's, 2022 for industrial emissions and 2025 for 90% of electricity being generated from renewable sources in an average hydrological year.
6. EECA's 2017 / 18 outcome framework in section 3 does not contain reference to the innovative and efficient use of electricity, and its 90% renewable generation target, as an EECA outcome. As this is a key priority area and core to increasing the percentage of renewable electricity generation and reducing emission from electricity generation the Association considers this should be added. We note the other two priority areas of process heat and low emissions transport are included.
7. Given the targets are set over a multi-year timeframe, and that the funding proposal and the work programme is set on an annual basis, NZWEA considers there should be a table or chart in the consultation document which shows the annual progress towards the achievement of the longer-term targets.
8. Specifically, the 2018 / 19 work programme includes the benefits of each project but does not provide a consolidated view of the total annual contribution or whether activity levels are sufficient to ensure the achievement of all targets.
9. NZWEA also notes that the targets have been set in consultation with the previous National Government and therefore may need to be revised given recent changes in policy settings. In particular the 90% renewable electricity target may be amended or

superseded with the coalition government signalling its intention to pursue a 100% renewable electricity target, in a normal hydrology year, by 2035.

10. In respect of the individual targets the Association:

- supports the focus on EV's but notes that the 4,000 EV target for 2017 was reached 5 months early. Given the proposed investment in EV's and progress to date NZWEA considers the 2021 target of 64,000 vehicles should be reviewed.
- support the proposed productive low carbon business activities work programme but questions whether the level of carbon reductions identified will be sufficient to position EECA to meet the target of at least a 1% per annum decrease in industrial emissions between 2017 and 2022.
- notes that MBIE's latest Electricity Demand and Generation Scenarios Report published in August 2016 forecasts that the 90% renewable generation target by 2025 will not be achieved under any of the 5 scenarios modelled and the levy funding proposal and related work programme does not contain specific initiatives designed to increase the percentage of renewable electricity generation.

11. It would be helpful if EECA could confirm whether, with its work programme, it is on track to meet each of the three NZEECS targets.

12. As commented in its submission on the draft NZEECS, the Association considers it would be desirable to have wider energy sector targets set which include the percentage of renewable energy and energy intensity. These targets would directly relate to the areas of greatest opportunity and challenge in transitioning to a low carbon economy and achieving a net zero position by 2050 given New Zealand's already has a high percentage of renewable electricity generation.

#### **About the NZ Wind Energy Association (NZWEA)**

- The NZWEA is an industry association that promotes the development of wind as a reliable, sustainable, clean and commercially viable energy source.
- We aim to fairly represent wind energy to the public, Government and energy sector.
- Our members are involved in the wind energy sector and include electricity generators, wind farm developers, lines companies, turbine manufacturers, consulting organisations and other providers of services to the wind sector.
- By being a member of NZWEA you are assisting the development of wind energy in New Zealand and helping to reduce our greenhouse gas emissions to meet climate change targets.

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