NGĀ IWI O TARANAKI

Electricity Authority

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1 Willis Street

Wellington 6011

Via email decentralisation@ea.govt.nz

23 May 2025

Decentralisation green paper - submission from Ngā Iwi o Taranaki

Tēnā koe,

Ngā Iwi o Taranaki appreciates the opportunity to provide a submission on the Decentralisation Green Paper.

Equitable, justice based decentralisation of the energy system is central to reducing government backed oligarchal exploitation of electricity consumers.

A Regulatory framework needs to empower and enable local communities and small business consumers not maintain control or ensure oligarchal profits are embedded in regulations.

Rapid, sustainable electrification is central to reducing climate change impacts. Current government policy is encouraging transition delay. Concurrent policies are needed which complement electrification such as banning gas connections to new houses or businesses.

We urge you to carefully define resilience in legislation and regulations. Resilience is not about consumers putting up with oppressive pricing for their electricity needs.

Decentralisation should revolutionalise the electricity sector, not perpetuate existing systems of inequality, greed, and illusory actions on climate change commitment.

Contents

Introduction

1. This submission is made by Ngā Iwi o Taranaki on the Decentralisation Green Paper (the 'paper'), released April 30, 2025.

    (a) The submission covers:

        (i) who we are;

        (ii) our position;

        (iii) the reasons for that position, via responses to the green paper questions;

Ngā Iwi o Taranaki

2. Ngā Iwi o Taranaki (hereafter Ngā Iwi) advocates for the interests of the eight Iwi of the Taranaki region, supporting the social, cultural, economic and environmental interests of those eight entities both as individual Iwi and as a collaborative and co-operative whole.

3. Each of the eight Iwi have now completed Treaty of Waitangi settlement claims and established governance and operations bodies as post settlement governance entities (PSGE's). Those eight Iwi are:

    a. Ngaa Rauru Kiitahi;

    b. Ngāruahine;

    c. Ngāti Maru Wharanui.

    d. Ngāti Mutunga;

    e. Ngāt Ruanui;

    f. Ngāti Tama ki Taranaki;

    g. Taranaki Iwi; and

    h. Te Ātiawa.

5. This submission does not usurp or reduce the mana motuhake of each Iwi and as such each Iwi shall also provide their own submission to the Bill in question.

6. Our interest in this Bill stems from our responsibility to advocate for the rights and interests of the eight PSGE's in the Taranaki region. Each has concluded the settlement of historical claims for breaches of Te Tiriti o Waitangi over a period of twenty years.

    - Ngāti Ruanui and Ngāti Tama (2003);
    - Ngaa Rauru (2005);
    - Ngāti Mutunga (2006);
    - Te Ātiawa, Taranaki Iwi and Ngāruahine (2016);
    - Ngāti Maru Wharanui (2022).

7. We note that each settlement Act for these historical claims against breaches of the Treaty contain a Crown apology and state that:

    - the Crown seeks to atone for these wrongs;
    - the Crown seeks being part of the process of healing with the settlement; and
    - the Crown looks forward to building a relationship of mutual trust, co-operation, and respect for Te Tiriti o Waitangi/the Treaty of Waitangi and its principles.

8. Our response to the Green Paper takes place against a backdrop of a steadily deteriorating Crown-Māori relationship.

The electrification agenda

8. It has been well and widely acknowledged that in order to meet our Paris Agreement targets and the growing demand for energy, Aotearoa New Zealand will need to:

    - increase our supply and use of renewable energy[1];
    - improve our energy independence and resilience; and
    - reduce energy related emissions.

9. The International Energy Agency (IEA) has identified the need to "*not just diversify away from a single energy commodity but to change the energy system itself, and to do so while maintaining the affordable and secure provision of energy services. The growing impacts of global warming make this all the more important, as an increasing amount of energy infrastructure that built for a cooler, calmer climate is no longer reliable or resilient enough as temperatures rise and weather events become more extreme. In short, we have to transform the energy system both to stave off even more severe climate change and to cope with the climate change that is already with us*[2].

10. The electricity system is a crucial component of the energy system. The Just Transition Programme was established to help share and co-ordinate the work of transitioning to a low emissions economy. Just Transition is a strategy to move regions toward a low carbon future, recognising that traditionally transitions have disadvantaged some groups more than others[3]. Just transitions are suggested as a powerful invitation for communities to develop positive visions for change, transform unfair systems, draw on diverse strengths and worldviews, and come together to solve problems in ways that work better for everyone. The Just Transition Programme is now closed.

11. We note the NZ government has failed to produce fundamental energy strategies which would inform the reform of the electricity system[4]. These strategies include:

    - The New Zealand Energy Efficiency and Conservation Strategy (expired mid 2022).
    - The Green Hydrogen Strategy (incomplete).
    - New Zealand Energy Strategy (incomplete).

[1] https://www.eeca.govt.nz/insights/energy-in-new-zealand/the-future-of-energy-in-new-zealand/
[2] https://iea.blob.core.windows.net/assets/86ede39e-4436-42d7-ba2a-edf61467e070/WorldEnergyOutlook2023.pdf
[3] https://www.mbie.govt.nz/business-and-employment/economic-growth/previous-economic-development-work/just-transition
[4] https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-strategies-for-new-zealand

The Renewable Energy Strategy Work Programme is proposed to integrate these and other documents such as the Emissions Reduction Plan, the Electricity Price Review and Just Transition work.

12. We question the wisdom of the following policy reversals undertaken by the government to align with coalition agreements:
    - the reversal of the ban on offshore oil and gas exploration without any consultation with iwi, hapū, or communities;
    - the removal of the Clean Car Discount Programme;
    - the disestablishment of the Government Decarbonising Industry Fund (GIDI);
    - the disestablishment of the Climate Emergency Response Fund (CERF); and
    - the removal of the agricultural emissions pricing advisory function of the Climate Change Commission.

13. We note with concern that Aotearoa New Zealand has been ranked 41st by the Climate Change Performance Index (CCPI), falling seven places from its 2024 ranking[5]. The assessment also identifies that the country's independent Climate Change Commission has warned that the country is not on track to meet its international climate obligations or 2050 emissions reduction target.

14. The CCPI also raises concerns that very little new renewable energy generation has been built in a decade with experts condemning:

    - the absence of plans to phase out producing or consuming oil, gas, and coal;
    - the new government cutting most transport policies that were modelled to deliver the largest GHG emissions in the sector;
    - reducing spending on public transport while increasing spending on road building; and
    - removing support for electric and low-emission vehicles.

15. When viewed holistically theses changes represent a distinct change in government focus from a Just Transition to an indefinate transition where new renewable energy capacity is positioned to subsidise and prolong continued extraction from stranded fossil fuel assets. It also sees long-term strategic emissions reduction actions replaced by short-term, emissions removals or offsetting actions which are either unachievable or based on fervent techno-optimism. The notion of energy justice, both across and within nations, also appears to have been discounted as an outcome of energy reforms.

Green paper questions

Question One – Do you agree with the description of decentralisation? If not, why not?

We agree that DER's are a key component for decentralisation and that digitisation will be important for consumer choice. However, we point out that decentralisation and the Just Transition to renewables are both vulnerable to climate change denial and delay.

There is no effective competition in the electricity market so the big gentailers are able to adapt their generation and retail operations to insulate themselves from competition.

[5] https://ccpi.org/country/nzl/#:~:text=New%20Zealand%20falls%20seven%20places,GHG%20Emissions%20and%20Energy%20Use.

What is needed is a revolution of the way we think about energy and how the government incentivises change. This is unlikely to occur while they are still the majority shareholder of the current rentier gentailers. How the government manages this continuing conflict of interest has been a concern for some time.

Consumers should be the primary beneficiaries of a decentralised energy system. Centralised generators and retailers/gentailers should no longer monopolise electricity production and trading.

We would like to see homes and communities as traders of excess electricity which would require them having the ability to both draw from the grid when needed and direct electricity they have generated into the grid when they wish. Battery storage and technology such as VEN could allow them to buy electricity when it is cheap and sell it when the price is high.

DER's using micro-hydro, run of river generation is problematic for hapū and iwi. The main issues are:

- the question of freshwater ownership which is currently based on Crown assumptions;
- the privileging of landowners with exclusive rights in the absence of clear regional plan rules;
- the unknown cumulative and incremental impacts on rivers and streams.

Effectively, the only technology that decentralisation would apply to is solar generation and battery storage. We urge meaningful and comprehensive consultation with iwi and hapū before consideration of run of river generation methods as viable options for a decentralised electricity system.

Question Two - Do you agree with the articulation of the potential outcomes and benefits from decentralisation for consumers? If not, why not?

The recent Commerce Commission decision to increase revenue limits for Transpower and local lines companies is the opposite of what needs to happen in the electricity sector. This extra revenue will be used to support investment in maintaining the network and network growth.

We expect energy sovereignty to be a key outcome of decentralisation. This involves reduced dependency on gentailers who extract massive profits from consumers while failing to invest in network upgrades and expansion.

Some suggested benefits, such as accelerated decarbonisation and electrification are dependant on non-existent government incentives. Others such as equitable access to low-cost electricity assume that electricity cannot be free to the most vulnerable in our communities.

Question Three - Do you agree with the articulation of the possible challenges to unlocking the benefits of decentralisation? If not, why not?

Yes. We agree that rapid electrification is a worthy objective. The adoption of renewable energy needs to meet the needs of those that are most vulnerable and in the most need.

Question Four - Do you agree with the articulated opportunity statement for a more decentralised electricity system? If not, why not?

The articulation appears at odds with current government policy around the oil and gas sector. Incentivising extractive, emissions producing industries sends the wrong signal. We are concerned at the

apparent transition delay approach the government is taking. This approach is inline with most other western countries where vested interests are in danger of having their oil and gas assets stranded by a comprehensive and rapid transition to renewable electricity.

Question 5 - What other feedback would you like to provide to input into the discussion on, for example:

a) what a more decentralised electricity system might look like,

It would actually be decentralised to allow consumers to control their own energy needs – not a perpetuation of existing monopolies on generation, trading, and retail in the electricity sector.

b) how this might benefit consumers, and

This would allow competitors to enter the market and consumers to exercise their power as consumers.

c) what might be needed to unlock these benefits.

A revolution in legislation and corporate behaviour which stops normalizing the profit maximization economic model.

Question Six - What are other emerging case studies we could learn from?

High performing electricity markets are characterised by competitiveness, resilience, integration, sustainability, and inclusiveness. A high performing electricity market for Aotearoa New Zealand needs to do all these things plus the regulator needs to acknowledge te Tiriti o Waitangi in legislation and practice. Energy inequality disproportionately affects Māori – allowing communities to build energy sovereignty provides a means to address that inequality.

Your non-extensive list of international examples of decentralised energy systems is based on three countries – the United States, the United Kingdom, and Australia. Sweden uses a combination of wind, bioenergy, and solar and is on track to achieve 100% fossil-free renewable electricity production by 2040[6]. Other countries such as Germany, Uruguay, China, and Norway are leading the way in the development of renewable energy.

Decentralised Renewable Energy Solutions (DRES) are necessary where the conventional distribution of electricity is neither efficient nor profitable[7]. How could this apply in the context of Aotearoa New Zealand?

Ngā manaakitanga,

[redacted]

Wharehoka Wano

Pouwhakahaere – Ngā Iwi o Taranaki

[6] https://www.climatecouncil.org.au/11-countries-leading-the-charge-on-renewable-energy/
[7] https://www.irena.org/-/media/Files/IRENA/Remember/Assembly/Thirteenth-session-of-the-Assembly/13A_Decentralized-Renewable-Energy-Solutions-for-Remote-and-Isolated-Communities.pdf