



Rt Hon Simon Upton
Parliamentary Commissioner for the Environment
c/o geoff.simmons@pce.parliament.nz

Ref: SW25-331

Dear Commissioner

Thank you for your letter of 3 November 2025 raising your concerns regarding the Government's announcement to explore the procurement of a liquefied natural gas (LNG) import facility. I appreciate you taking the time to write.

New Zealand's energy landscape has undergone significant change in recent years, and as a part of that, we are entering a period of significant growth in renewable electricity. The Electricity Market Review highlights that while we are well-placed to grow renewable electricity, one significant challenge remains; and that challenge is how we can ensure reliable back-up during dry years when hydro and wind generation cannot meet demand. A source of firm and flexible energy is required to address this risk, which is vital for a resilient and affordable energy system.

New Zealand has been fortunate to have had indigenous gas source underpin our economy, and our preference would be to continue relying on domestically produced fuel. However, our declining gas reserves now mean we are having to look at other options to ensure New Zealand's energy security. This is the primary reason the Government has commenced a procurement process for an LNG import facility infrastructure. As a part of this process, we released a Registration of Interest (ROI) and Project Information Memorandum. The purpose of this is to gather market information and help us test the capability of potential bidders.

As you are aware, the Government is concurrently considering alternative fuel and generation options for managing New Zealand's dry year risk. The ROI and wider analysis on alternative generation/fuels will be considered by Government in its final decision on whether to proceed with the next stage of procuring LNG infrastructure. This decision will be made in December 2025.

The Government has also announced, as a part of the Energy Package, that it will leverage government procurement to support energy projects. As a part of this, we published a Request for Information that is fuel agnostic and invites submissions on a wide range of energy projects.

Thank you again for writing, and I passed on your considerations on the wider fuel options analysis to my officials at the Ministry of Business, Innovation and Employment.

Yours sincerely

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Hon Simon Watts
Minister for Energy