



Parliamentary Commissioner for the Environment

Te Kaitiaki Taiao a Te Whare Pāremata

PO Box 10 241
Wellington 6140
Tel 64 4 495 8350
pce.parliament.nz

Hon Dr Megan Woods
Minister of Energy and Resources
Parliament Buildings
Private Bag 18041
Wellington 6160

20 December 2022

Dear Megan

I noted with approval your recently announced intention of pulling together a whole-of-system energy strategy. I was however a little concerned that this strategy is not destined for delivery before the end of 2024. I would urge you to move more swiftly.

Scarcely a month goes by without some major new energy investment being floated. These proposals are evidence that there is now a widespread realisation that energy system transformation is inevitable. They may also be evidence of a desire to pre-empt the shape of the energy system that emerges. This is why a whole-of-system strategy is needed that compares scenarios deploying different technology mixes. The scenarios need to be compared on a fair and consistent basis prior to any decisions being taken.

One of the most significant ideas currently being examined is the proposal for pumped storage at Lake Onslow to mitigate dry year risk in a world in which fossil generation has been discontinued. Like any major investment, Onslow will have to pass the twin tests of being technically deliverable and financially affordable. But the debate it has set swirling underscores the need for scrupulously transparent, even-handed treatment.

The attached note elaborates on these comments, and in particular, some of the arguments that have been raised for a range of dry-year risk solutions which emphasise the need for care in committing to path dependencies we may live to regret.

Charting the course of a decarbonised energy system is of the highest environmental – and economic – significance. There is no doubt that economic and environmental trade-offs will need to be made. To that end I would like to formally register my interest under the Environment Act 1986 to receive regular briefings on the evolution of the strategy *prior* to its finalisation and submission to the Government.

Wishing you a well-deserved summer break and looking forward to engaging in the New Year.

With kind regards

Rt Hon Simon Upton

Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

CC: Hon Grant Robertson, Minister of Finance, Hon James Shaw, Minister of Climate Change,
Hon David Parker, Minister for the Environment