



Energy Transition Framework

This does not constitute government policy.

Purpose of the Framework

This Framework represents the energy sector joining together to create a shared approach to transforming and decarbonising Aotearoa New Zealand's energy system. This Framework establishes a structure for Government and the energy sector to collaborate on the shared challenges in transitioning the energy system. This Framework is an enduring document that will enable collaboration for as long as needed.

Initially, this Framework targets energy transition concerns specific to the electricity system and the key role gas (and other fuels) play in that part of the energy sector to ensure a resilient, reliable and affordable transition. Over time, the intent is to expand membership and scope to provide a comprehensive representation of the entire energy system.

Independence

Collaboration and advice under this Framework does not affect the independence, decision making, accountabilities and obligations of the respective parties to the Framework. Decision making on individual actions, priorities and work programmes will continue according to standard accountabilities.

Government signatories will continue to follow the required policy, regulatory and Cabinet decision making and consultation processes in respect of any priorities, work programmes or recommendations that result from collaboration under this Framework.

Vision

Aotearoa is on a journey to achieve a low-emissions, high-growth economy and meet its climate change goals this decade. Together, we can all play our part in helping to reduce our emissions and build a more sustainable future for all New Zealanders.

The challenge of transitioning New Zealand's energy system through reliable and affordable electrification is complex and requires Government and the private sector to work together to ensure the best outcomes for the country.

The system will meet New Zealand's energy needs and reduce emissions through renewable energy sources, while also ensuring sufficient alternative sources exist to ensure the security and reliability of the energy system, meet variations in demand, and that equitable outcomes are achieved for all New Zealanders.

Objectives

Transforming the energy system will be guided by the following objectives:

- ◆ *Affordability*: The scale of investment required over the coming decades is significant, which could result in affordability challenges for electricity consumers. Framework participants and government agencies are committed to ensuring that competitive markets and network regulation results in efficient prices, and that both sector participants and government agencies maintain a focus on affordability of energy for households (prices in relation to household incomes) and businesses.
- ◆ *Reliability and security of supply*: Energy users need a secure, reliable and resilient system. As a growing portion of the energy system will run on renewable electricity, this heightens the need for security and resilience. A diverse range of energy sources will be needed to power New Zealand including appropriate transition fuels like natural gas for firming, so that when the lakes are low and wind and solar are in short supply we can continue to supply power to New Zealanders as and when they need it.
- ◆ *Collaboration and Choice*: Placing energy users at the heart of our journey. As New Zealand's energy systems become smarter and are transformed around energy users' needs, and as new ways of producing, storing, and supplying electricity and gas are developed, energy users retain options for how they use their energy, and the products they need.
- ◆ *Innovation*: The energy system is already changing rapidly. As the need for renewable energy grows, the ways to meet that demand will need to change, including demand-side innovation. We are committed to encouraging innovation, fostering creativity and improving energy users' choices to reduce the energy sector's emissions. Developing new products and finding better ways to do things will play a big part in helping the sector reduce emissions and consumers to use energy more efficiently and affordably.
- ◆ *Collective action*: Moving towards a more renewable energy system will involve all Kiwi families, businesses and communities. The transition to a low carbon energy system requires collective and urgent action on emissions reduction. We want to make sure that everyone has a say to ensure our choices benefit the future of New Zealand as a whole.
- ◆ *Care for the environment*: The renewable energy system relies on the natural environment. It also has the potential to impact the environment. So as the system evolves, we will seek local guidance and ensure that the costs of natural resource use and environmental impacts are taken into account.

- ◆ *Economic growth*: The transition to a decarbonised energy system needs to be fair, equitable and inclusive. Where possible, we will seek out opportunities for economic growth that occur as part of the transition to a low carbon economy.

Principles for Engaging Together

The signatories to the Framework commit to the following principles for engaging together:

- ◆ *Action orientated*: To help ensure New Zealand's transition is successful, affordable and secure by getting underway now on key 'no regrets' transition actions.
- ◆ *Transparent*: Setting aims that are quantifiable and measurable to enable identification of areas where progress has been made, and areas where further effort is required.
- ◆ *Coherent change*: Reducing confusion and creating a cohesive narrative for how the sector and Government work together to enable New Zealand's transition to a low carbon economy and the opportunities that provides the country.
- ◆ *Enduring change*: Navigating the low carbon energy transition will require collective action over decades. This Framework will help to deliver system-wide action across the transition.
- ◆ *Streamlined and open consultation*: Facilitating more streamlined and efficient consultation and collaboration between Government and the energy sector. As well as open and inclusive engagement to avoid duplication, create synergies, and make better use of limited resources.
- ◆ *Voluntary*: A voluntary Framework underpinned by aspirational objectives with the priority themes pursued at different speeds by different parties.
- ◆ *Flexible priorities*: Pursuing the priority themes in the Framework at pace, while also acknowledging that some priority themes will require greater emphasis over others, depending on the circumstances and priorities accorded by the Chief Executive Level Steering Group at any given time.
- ◆ *Recognising trade-offs*: Trying to achieve balance while recognising that trade-offs may arise in ensuring that the energy transition is affordable, security of supply is maintained, the energy system is resilient to climate change, and that the energy system supports economic development and productivity growth aligned with the transition.

Priority Themes

The Chief Executive Level Steering Group sets the priority themes under the Framework and the scope of the work programmes. The priority themes will change over time. The signatories agree to the initial priority themes:

Support accelerated renewables development

- ◆ *Effective consenting frameworks*: Ensuring consenting frameworks encourage rapid deployment of renewables and enabling infrastructure (high priority), both through optimising existing assets and new developments, while maintaining competitive neutrality.

Scale up transmission and distribution investment

- ◆ *Investment incentives for networks:* Enabling investment incentives and appropriate regulatory funding to networks to support the transition via necessary network enhancement, expansion, or non-network alternatives, in a manner that fosters affordability.

Support people, industry, businesses and the workforce

- ◆ *People experiencing hardship:* Ensuring meaningful and enduring support for consumers experiencing hardship.
- ◆ Ensuring sector workforce development, so that there is improved diversity and capacity to deliver on the energy system transition.

Ensure electricity is affordable

- ◆ *Lowest cost transition:* Ensuring affordability as the energy system decarbonises. Expensive energy will have direct impacts on the cost of living of New Zealanders and the productivity of our economy and will ultimately undermine us meeting our emission reduction targets. Electrification will only occur where electricity is affordable and incentivises fuel switching. The delivered cost of electricity needs to be as low as possible, particularly if we are to see industrial emissions reduce.
- ◆ *Efficient pricing:* Ensuring wholesale and retail markets are competitive, barriers to entry and expansion are addressed, and network regulation is such that charges to industry, and retail bills to businesses and consumers, reflect efficient pricing and are in the long-term interests of consumers (including from an affordability perspective).

Drive electrification at pace

- ◆ *Electrification:* Drive decarbonisation through electrification by ensuring EV charging infrastructure can be successfully rolled out and electrification projects for households, businesses or large-scale initiatives can be implemented, encouraging load flexibility where possible.

Enable a smart electricity system

- ◆ *Smart system:* Enable the 'smart system' to maximise the use of existing infrastructure to minimise future infrastructure investment, thereby reducing whole-of-system costs and delivering better consumer outcomes.
- ◆ *Network resilience:* Improve the ability of networks to adapt to the effects of climate change and build greater network resilience.

Encourage the right energy and capacity mix

- ◆ *Maintaining gas supply:* Ensuring sufficient availability of natural gas. Insufficient supply could result in New Zealand burning more coal to keep the lights on this will undermine our decarbonisation goals. A shortage of gas will also put upward pressure on electricity prices. This could, in turn, slow down decarbonisation by deferring electrification.
- ◆ *Efficient market mechanisms:* Ensuring wholesale electricity market arrangements to enable electricity to play its role, fully and efficiently, in decarbonising New Zealand. In particular,

developing market mechanisms to improve security of supply (particularly during winter peak periods).

- ◆ *Resilient transition and security of supply*: Recognising the role of appropriate transition fuels to further support the security and resilience of the energy system, and supporting the interconnection between gas, electricity, and other fuels in achieving a resilient transition.

Governance



Endorsing Ministers

The Minister for Energy, the Minister for Infrastructure and RM Reform endorse Government participation in the Framework, with Hīkina Whakatutuki | Ministry of Business Innovation and Employment and Manata Mo Te Taiao | Ministry for the Environment as members on behalf of the Government.

Chief Executive Level Steering Group

The Chief Executive Level Steering Group ("**Steering Group**"), led by an Independent Chair, provides direction, approves the work plan, approves budgets and prioritises working group projects to support the progress of the Framework. The Independent Chair will be appointed through an open and transparent recruitment process.

An independent Secretariat will support the Steering Group.

The Steering Group will meet quarterly (or at a greater frequency as agreed), and will:

- ◆ Identify the big, strategic issues that need to be addressed, including what risks and opportunities these issues might present.
- ◆ Allocate work programmes to, and/or approve proposals from, each Working Group.
- ◆ Assign leaders for each Working Group.
- ◆ Make decisions about funding Working Group activities.
- ◆ Be responsible for any media communications and messaging if agreed by Members.
- ◆ Approve applications for new members received by the Secretariat.

The Steering Group will make the above decisions through consensus. For the avoidance of doubt, no decisions adopted under the Framework are intended to compromise the independent decision-making of Framework participants.

To make such decisions effectively, the Steering Group membership balances proportional whole-of-sector representation and efficiency. Senior level representation is key given the decisions required. The Steering Group will comprise:

	Organisation	Position	Appointed by
1	Independent Chair		Steering Group
2	Ministry of Business, Innovation and Employment (MBIE)	Chief Executive or nominee	MBIE
3	Ministry for the Environment (MfE)	Chief Executive or nominee	MfE

	Organisation	Position	Appointed by
4	Electricity Network representative	Chief Executive	Appointed by distributor Members on a rotating basis for a period of time agreed by those Members
5	Electricity Network representative	Chief Executive	Appointed by distributor Members on a rotating basis for a period agreed by those Members
6	Electricity Networks Aotearoa (ENA)	Chair	ENA
7	Transpower	Chief Executive	Transpower
8	Generator-retailer representative	Chief Executive	Appointed by Generator-retailer Members on a rotating basis for a period agreed by those Members
9	Generator-retailer representative	Chief Executive	Appointed by Generator-retailer Members on a rotating basis for a period agreed by those Members
10	Independent generators representative	Chair or Chief Executive	Appointed by independent generators Members on a rotating basis for a period agreed by those Members
11	Independent retailer representative	Chair or Chief Executive	Appointed by independent retailer Members on a rotating basis for a period agreed by those Members
12	Wider energy sector representative	Chair or Chief Executive	Appointed by Members representing the wider energy sector on a rotating basis for a period agreed by those Members
13	Independent Consumer and Advisory Member	Chief Executive or Executive Director level	Appointed by Independent Consumer and Advisory Members on a rotating basis for a period agreed by those parties
14	The Electricity Authority	Chief Executive	The Electricity Authority
15	Commerce Commission	GM Infrastructure Regulation	Commerce Commission
16	Gas Industry Company	Chief Executive	Gas Industry Company
17	Energy Efficiency and Conservation Authority	Chief Executive	Energy Efficiency and Conservation Authority

Members

- ◆ Signatories to the Framework are Members, Government Members or Independent Observers. The Steering Group is drawn from the Members and Government Members (see process above and table for details).
- ◆ Members will receive updates from the Secretariat on all Steering Group meetings and will be invited to attend relevant meetings.
- ◆ Any organisation may apply to join the Framework by writing to the Secretariat. The Chief Executive Level Steering Group will approve applications.

Government Members

- ◆ Government Members are public service departments or regulators. Government Members are signatories to and participate fully in the Framework. Government Members have work programmes that are determined through Cabinet and departmental decision making processes, or through statutory or other regulatory requirements, that must be observed irrespective of the Framework. From time to time, Government Members may be required to exclude themselves from particular Framework discussions to manage actual or potential conflicts or observe other statutory or regulatory requirements.

Independent Observers

- ◆ Independent observers are independent government organisations with work programmes that are determined through statutory obligations that must be observed irrespective of the Framework and, where participation in the Framework will conflict with carrying out these obligations, the Independent Observer is not bound to participate fully, and participation does not equate to adoption of or acting according to the views of the Framework.
- ◆ Input from Independent Observers will always be welcome and will be proactively sought where necessary.

Independent Consumer and Advisory Members

- ◆ Independent Consumer and Advisory Members will receive updates including all agendas and minutes from the Secretariat on all meetings and will be invited to nominate one representative to attend the Steering Group meetings as an observer.
- ◆ Input from Advisory Members will always be welcome and will be proactively sought.

Working Groups

- ◆ Working groups may comprise Members, Government Members and Advisory Members, as appropriate and relevant to the work area.
- ◆ Each work programme will have a set scope, including deliverables and timeframes for delivering the work. Some deliverables may not generate a full work programme and be more suited to standalone tasks.

Secretariat

The Secretariat will facilitate the functioning of the Framework by performing administrative functions for the Steering Group and Working Groups, including:

- ◆ attending Steering Group meetings and circulating the minutes to Members and Key Stakeholders;
- ◆ acting as a programme co-ordinator for Working Groups by providing agendas, work programme updates;
- ◆ completing and publishing public information about the Framework, including the measures and milestones reports.

The Secretariat will be independent and incorporated and funded by energy sector Members. Members' financial contributions will be based on size, and Members may pay their financial contribution directly to the Secretariat if they are also part of an association, where the association is also a Member of the Framework. Members will determine the resourcing of Working Groups with both public and private sector members contributing. In some circumstances contributions will be 'in kind' rather than financially.

Signatories:

Caroline Ovenstone Chief Executive Alpine Energy	Richard Fletcher Chief Executive Aurora Energy	Tina Schirr Executive Director Business Energy Council	Mike Fuge Chief Executive Contact Energy
Tracey Kai Chief Executive Electricity Network Aotearoa	Bridget Abernethy Chief Executive Electricity Retailers Association of New Zealand	John Carnegie Chief Executive Energy Resources Aotearoa	John Telfer Chief Executive Far North Solar Farm
Paul Goodeve Chief Executive Clarus	Toby Stevenson Chair Flex Forum		Malcolm Johns Chief Executive Genesis Energy
Jeff Schlichting Managing Director Helios Energy	Andrew Clennett Chief Executive Hiringa Energy	Ajay Anand Chief Executive Horizon Energy Group	Warren McNabb Chair Independent Electricity Generators Association
Gary Holden Managing Director Lodestone Energy	Andy Lester Chief Executive Officer MainPower	Clayton Delmarter Chief Executive Manawa Energy	Stewart Hamilton Chief Executive Mercury
Neal Barclay Chief Executive Meridian Energy	Andrew McLeod Chief Executive Officer NorthPower	Babu Bahirathan Chief Executive Nova Energy	Nigel Barbour Chief Executive Orion
Fraser Jonker Chief Executive Pioneer Energy	James Kilty Chief Executive Powerco	Jason Franklin Chief Executive PowerNet	Russell Shaw Chief Executive Top Energy
John Clark Acting Chief Executive Transpower	Jaun Park Chief Executive Unison	Simon Mackenzie Chief Executive Vector Energy	Greg Skelton Chief Executive Wellington Electricity

Garth Dibley Chief Executive Officer WEL Networks	[TBC]	[TBC]	Jo Hendy Chief Executive Climate Change Commission
Andy Burgess GM Infrastructure Regulation Commerce Commission	Sarah Gillies Chief Executive Electricity Authority	Dr Marcus Pelenur Chief Executive Energy Efficiency & Conservation Authority	Barbara Tebbs General Manager Policy Infrastructure Commission
Andrew Knight Chief Executive Gas Industry Company			

19th December 2024

To all participants signing the Energy Transition Framework,

Dear Participants,

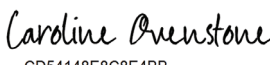
We, the undersigned sector participants, are writing to confirm our entry into the Energy Transition Framework. Because Government members are not currently entering into the Framework and will sign at a later date to be determined, we are entering into the Framework subject to the amendments outlined below:

- 1. Governance Role of Endorsing Ministers:** We note that until the Government members sign the Framework, the endorsing Ministers will not play a role in the governance of the Framework.
- 2. Role of Independent Chair:** The role of the independent chair will be amended to a rotating chair. This chair will be a member of the Chief Executive Level Steering Group, appointed through the nomination and agreement of the Chief Executive Steering Group.
- 3. Independent Secretariat:** The organization of the Chair will provide secretariat support for the Framework.
- 4. Composition of the Chief Executive Level Steering Group:**
 - The electricity network representative at item 5 will be changed to the CEO of Electricity Networks Aotearoa.
 - The generator-retailer representative at item 9 will be changed to the CEO of Electricity Retailers Association New Zealand.
 - The Executive Director of the Business NZ Energy Council will be included as a new item 18.
 - The CEO of Energy Resources Aotearoa will be included as a new item 19.
- 5. Government Members as Observers:** Government members will participate as observers until they sign and enter into the Framework.

We look forward to working collaboratively within this Framework to achieve our shared energy transition goals.

Yours sincerely,

Signatories:

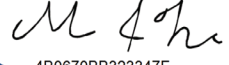
DocuSigned by:

CD54148E8C8E4BB...
Caroline Ovenstone
Chief Executive
Alpine Energy

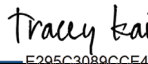
DocuSigned by:

6CC962866D4E4CD...
Richard Fletcher
Chief Executive
Aurora Energy

Signed by:

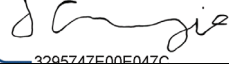
2FDA2506AF204D5...
Tina Schirr
Executive Director
Business Energy Council

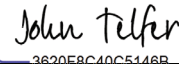
DocuSigned by:

4B0670BB323347F...
Mike Fuge
Chief Executive
Contact Energy

Signed by:

E295C3089CCE452...
Tracey Kai
Chief Executive
Electricity Network Aotearoa

Signed by:

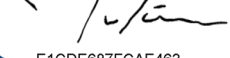
B50DD6D7976A4C2...
Bridget Abernethy
Chief Executive
Electricity Retailers
Association of New Zealand

Signed by:

3295747E00E047C...
John Carnegie
Chief Executive
Energy Resources Aotearoa

Signed by:

3620F8C40C5146B...
John Telfer
Chief Executive
Far North Solar Farm

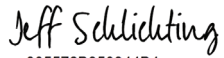
Signed by:

E52FD4354565447...
Paul Goodeve
Chief Executive
Clarus

Signed by:

E1CDE687FCAE463
Toby Stevenson
Chair
Flex Forum

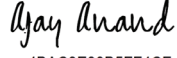
Signed by:

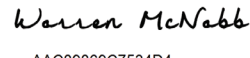
F643A9B8DE9B430...
Malcolm Johns
Chief Executive
Genesis Energy

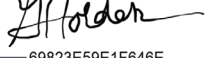
Signed by:

805572B350344B4...
Jeff Schlichting
Managing Director
Helios Energy

DocuSigned by:

E1F3F5B19CBC4E6...
Andrew Clennett
Chief Executive
Hiringa Energy

DocuSigned by:

4BA23E98B5FF40F...
Ajay Anand
Chief Executive
Horizon Energy Group

DocuSigned by:

AAC80860C7534D4...
Warren McNabb
Chair
Independent Electricity
Generators Association

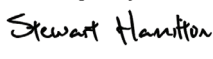
DocuSigned by:

69823E59E1E646E...
Gary Holden
Managing Director
Lodestone Energy

Signed by:

46EE298E229E407...
Andy Lester
Chief Executive Officer
MainPower

DocuSigned by:

E90FD4E1AC9C4D6...
Clayton Delmarter
Chief Executive
Manawa Energy

DocuSigned by:

4FDCF3E74B0240F...
Stewart Hamilton
Chief Executive
Mercury

DocuSigned by:

2E47A37CE2CC4A2...
Neal Barclay
Chief Executive
Meridian Energy

DocuSigned by:

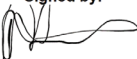
BF1B790A168B440...
Andrew McLeod Chief
Executive Officer
NorthPower

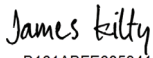
Signed by:

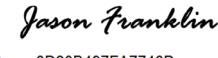
3AF83BCA56FF4DE...
Babu Bahirathan
Chief Executive
Nova Energy

DocuSigned by:

CB60658BACC9463...
Nigel Barbour
Chief Executive
Orion

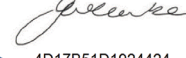
Signed by:

3CEC803044004E5...
Fraser Jonker
Chief Executive
Pioneer Energy

Signed by:

B161ABFE685341C...
James Kilty
Chief Executive
Powerco

Signed by:

8D20B497FA7746D...
Jason Franklin
Chief Executive
PowerNet

Signed by:

D15DE78D52444F9...
Russell Shaw
Chief Executive
Top Energy

Signed by:

4D17B51D1924424...
John Clark Acting
Chief Executive
Transpower

DocuSigned by:

C86B9A562C32403...
Jason Park
Chief Executive
Unison

Signed by:

3AD395091C0A40F...
Simon Mackenzie
Chief Executive
Vector Energy

Signed by:

05C19B117436428...
Greg Skelton
Chief Executive
Wellington Electricity

Signed by:

385D0A222B8443A...
Garth Dibley
Chief Executive Officer
WEL Networks

Signed by:

9CD4DE7CA7C3428...
Judy Nicholl
Chief Executive
Counties Power

DocuSigned by:

3E8D8422E49D454...
Nick Jackson
Chief Executive
Elemental Group

Signed by:

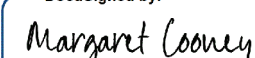
6BED19A111474C0...
Jeffrey Clarke
Chief Executive
Gas NZ

Signed by:

D39AFAB96ED648A...
Richard Creagh
Chief Executive
Daiken NZ

Signed by:

74F5C874246F486...
Alice Pettigrew
Chief Executive
Eastland Generation Limited

DocuSigned by:

3C0079079FC642D...
Margaret Cooney
Chief Operating Officer
Octopus Energy

Signed by:

3C88E91B01704D1...
Huia Burt
Chief Executive
The Energy Collective