

# Submission on Cost recovery for the Offshore Renewable Energy Regulatory Regime

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## Release of information

Please let us know if you would like any part of your submission to be kept confidential.

☒ I would like to be contacted before the release or use of my submission in the summary of submissions that will be published by MBIE after the consultation.

☐ I would like my submission (or identified parts of my submission) to be kept confidential, and **have stated below** my reasons and grounds under the Official Information Act that I believe apply for consideration by MBIE.

26<sup>th</sup> November 2024

Energy Resources Markets Branch  
Ministry of Business, Innovation and Employment  
15 Stout Street  
PO Box 1473, Wellington 6140

## **Submission on Cost recovery for the Offshore Renewable Energy Regulatory Regime**

Thank you for the opportunity to provide a response to the Offshore Renewable Energy Feasibility Permitting proposal.

Taranaki Offshore Partnership (TOP) is a Joint Venture between NZ Super Fund (NZSF) and Copenhagen Infrastructure Partners (CIP) that is investigating offshore wind generation opportunities in Aotearoa New Zealand. We appreciate the opportunity to provide a submission on the proposed Feasibility Permitting cost recovery proposals and have included our comments below.

### **Question 1 - Do you have feedback on the proposed feasibility permit application fee? If yes, please provide your reasoning.**

TOP is supportive of the proposed feasibility permit application fee.

### **Question 2: Do you have feedback on the level of the proposed levy? If yes, please provide your reasoning.**

TOP agrees that the costs of administering the regime should be recoverable, as per our response to MBIE's previous consultation; however, we reiterate that fees should not add undue financial burden to projects at the earliest – and riskiest – stages of development. TOP believes that the levy amount should be reduced as much as possible due to the high degree of uncertainty and lack of signals such as offshore wind energy targets or price support mechanisms from the Government.

We expect a low number of recipients to be awarded feasibility permits and therefore the levy cost could be higher per developer. If a single feasibility licence was awarded, then the potential levy cost of \$1.3 million is significant. TOP offers to work with MBIE in 2025 to understand the level of this cost and how it could be reduced if a single feasibility licence is awarded. From an investment certainty perspective, it would be preferable for the levy amount to be fixed; however, we acknowledge that MBIE's current proposal goes further to meet the equity, justifiability and transparency principles.

**Question 3: Do you have any views on the design of the levy, or costs to be recovered?  
Please explain your answer.**

TOP offers to work with MBIE in 2025 to understand what the regulator's activities and costs are likely to be and offer relevant insights from other markets. We also query whether there would be additional costs from other agencies, for example: Worksafe.

**Question 4: Do you have views on whether a larger scale development would require substantial differences in regulator resourcing in order to monitor compliance with the conditions of the feasibility permit and legislation?**

TOP agrees that it is unlikely there would be significant cost differences for different scale developments. However, a larger project could lead to more interfaces with a greater number of onshore stakeholders, onshore infrastructure (ports and transmission), other marine users and government agencies. These interfaces could require coordination and management by MBIE. Again, TOP offers to work with MBIE in 2025 to understand what regulator activities will be required depending on the scale of development.