Ministry for the Environment
Manatū Mō Te Taiao

FTAA–2503–1036: Application received for referral of the project under the Fast-track Approvals Act 2024 – Stage 2 decisions

Project Name: Lake Pūkaki Hydro Storage and Dam Resilience Works

Date submitted:	12 August 2025	Tracking #: BRF–6626	
Security level:	In-Confidence	MfE priority:	Urgent

	Action sought:	**Response by:**
To Hon Chris Bishop, Minister for Infrastructure	Decision on recommendations	19 August 2025

Actions for Minister's Office staff	**Return** the signed briefing to MfE *FTAreferrals@mfe.govt.nz*. **Approved** the attached notice of decisions letter (if signed).
Number of appendices: 7	Appendices: (refer File Exchange for appendices 2 – 6) 1. Statutory framework for making decisions 2. Application documents for Lake Pūkaki Hydro Storage and Dam Resilience Works 3. Stage 1 Briefing Note and decisions 4. Section 18 Report on Treaty settlements and other obligations 5. Comments received from all invited parties 6. Further information received from the applicants 7. Draft Notice of Decisions

Ministry for the Environment contacts

Position	Name	Cell phone	1st contact
Principal Author(s)	Helen Willis / Julian Jackson		
Manager	Stephanie Frame	s 9(2)(a)	✓
General Manager	Ilana Miller	s 9(2)(a)	

Project location

Figure 1 – Project location

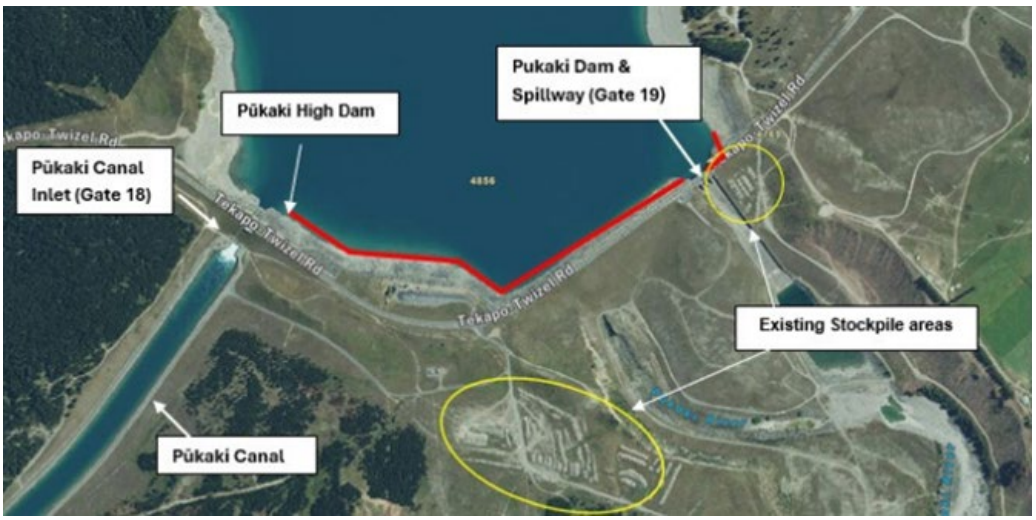

Figure 2 – Pūkaki Dam at southern point of Lake Pūkaki

Key messages

1. This briefing seeks your decisions on the application from Meridian Energy Limited to refer the Lake Pūkaki Hydro Storage and Dam Resilience Works project (the project) under the Fast-track Approvals Act 2024 (the Act) to the Fast-track approvals process for consideration by a panel.
2. A copy of the application is in Appendix 2. This is the second briefing on this application. The first (Stage 1) briefing (BRF–6266) with your initial decisions annotated is in Appendix 3.
3. Lake Pūkaki is located on Tekapo-Twizel Road, approximately 10 kilometres north of Twizel. It is the largest storage reservoir in New Zealand and is nationally significant electricity infrastructure. Lake Pūkaki covers an area of approximately 178km² and is part of the wider Waitaki Hydroelectric scheme which provides over half New Zealand's hydroelectricity storage capacity.
4. The project seeks resource consents for additional water takes from Lake Pūkaki to occur over three consecutive winters from winter 2026 at levels lower than the currently authorised minimum permitted level of 518mRL (metres Relative Level), which is a prohibited activity under the Resource Management Act 1991 (RMA). The prohibited activity status does not trigger any ineligibility criteria under section 5 of the Act. The applicant already holds resource consents to operate the lake at or above the authorised minimum level.
5. The applicant advises that consents are sought over three consecutive winters because of emerging electricity security challenges due to decreasing gas availability. The consents will provide a wider operating range, providing more flexibility and support to the electricity system. The applicant considers that three years provides a realistic timeframe for committed new generation, battery capacity and electricity security arrangements to be reviewed and for longer-term solutions to be implemented. Lake levels are expected to fall below the currently authorised minimum level of 518mRL only about 3 per cent of the time, or approximately 33 days total over the three years.
6. The project also seeks resource consents to install permanent rock armouring on Pūkaki Dam at the southern end of the lake. Rock armouring works can only be undertaken when lake levels are lower than the currently authorised minimum operating level. These works will take approximately 10-12 weeks to complete and may occur in stages over multiple years as lake levels allow.
7. In addition to RMA consents sought, the project also seeks a wildlife permit under the Wildlife Act 1953 in case native lizard species require capture and relocation.
8. As the project would be a prohibited activity under the Canterbury Regional Council Waitaki Catchment Water Allocation Plan (WAP), the Fast-track process, if successful, offers a more efficient, faster and cost-effective approvals pathway than a formal plan change under standard RMA processes.
9. We recommend you **accept** the referral application as the project meets the criteria set out in section 22.
10. We seek your decisions on this recommendation and on the recommendation for direction to the applicant and notification of your decisions.

Assessment against statutory framework

11. The statutory framework for your decision-making is set out in Appendix 1. You must apply this framework when you are deciding whether to accept or decline the referral application and when deciding on any further requirements or directions associated with referral of the project.
12. Before accepting the project, you must consider:
    a. the application (Appendix 2)
    b. the section 18 Treaty settlements report (Appendix 4)
    c. comments from invited parties (Appendix 5)
    d. any further information requested from the applicant, the relevant local authorities, or the relevant administering agencies (Appendix 6); and
    e. any document that requires your consideration under section 16.
13. Following your consideration, you may accept the application if you are satisfied that it meets the criteria in section 22 of the Act and if there are no reasons meaning you must decline the application.

Section 18 Treaty settlements and other obligations report

14. The section 18 report report identifies Te Rūnanga o Ngāi Tahu, Te Rūnanga o Arowhenua, Te Rūnanga o Waihao, and Te Rūnanga o Moeraki as relevant Treaty settlement entities, and Aoraki Environmental Consultancy Limited and Aukaha as other Māori groups with relevant interests in the application.
15. The Ngāi Tahu Claims Settlement Act 1998 is relevant to the project area. That Act provides for a statutory acknowledgement and a deed of recognition over Lake Pūkaki, which encompasses most of the project area. Under the RMA and the settlement legislation, a consent authority must have regard to a statutory acknowledgement when deciding whether an iwi is an ‘affected person’ for the purposes of notification decisions and must provide a summary of any consent applications relevant to the statutory area to a statutory acknowledgement holder
16. Te Rūnanga o Arowhenua, Te Rūnanga o Waihao and Te Rūnanga o Moeraki provided joint feedback as ‘Kā Rūnaka’, along with comments from Te Rūnanga o Ngāi Tahu. Their comments noted the cultural importance of Lake Pūkaki and its environs and traditional associations the area holds for Ngāi Tahu. Kā Rūnaka and Te Rūnanga o Ngāi Tahu have a neutral position on the proposal, and they are of the view that further consultation with the applicant is required to better inform a position.
17. Te Rūnanga o Ngāi Tahu noted that the applicant has not identified the potential effects on the nohoanga entitlement. The nohoanga entitlement is to enable Ngāi Tahu whānui to temporarily occur land (camp) close to water ways to provide access for fishing and gathering of natural resources.
18. The Minister for Māori Development and Minister for Māori Crown Relations support the application subject to the applicant further consulting with Kā Rūnaka and Te Rūnanga o Ngāi Tahu, acting consistently with the statutory acknowledgement and deed of recognition over Lake Pūkaki, and addressing the potential impacts of the application on Te Rūnanga o Ngāi Tahu's nohoanga entitlement.
19. We do not consider the matters raised in those comments make it more appropriate for the proposed approvals to be authorised under another Act or Acts.

20. Should you accept this application for referral, we propose that you specify under section 27(3)(b)(ii) that, if a substantive application is lodged, it includes a summary of consultation with Te Rūnanga o Ngāi Tahu, relevant papatipu rūnanga and their representatives since referral, outlining concerns raised regarding Ngāi Tahu settlement principles, statutory acknowledgements and nohoanga entitlement, and explaining how this has informed the substantive application.

Section 16 Effects of Treaty settlements and other obligations on decision-making

21. We do not consider there are any documents that place procedural requirements on you or a panel with regard to this application.

Written comments received

22. Comments were received from four Ministers, Canterbury Regional Council (CRC), Mackenzie District Council (MDC), Te Rūnanga o Ngāi Tahu (Te Rūnanga), Kā Rūnaka, the Department of Conservation (DOC), Land Information New Zealand (LINZ) and Transpower New Zealand Limited (Transpower). The points of relevance to your decisions are summarised in Table A.

23. The key points from these comments are as follows:

    a. CRC and MDC both advised that, in response to s.17(3), there are no competing applications (as per s.17(3)(a) or existing resource consents (as per s.17(3)(b).

    b. The Minister for Energy considered the proposal to be a high priority project, noting the importance and urgent nature of hydro storage and generation for electricity security of supply. The Minister considered the project meets section 22(2)(a)(ii) of the Act as it relates to the continued functioning of regionally significant infrastructure in the form of large-scale energy storage and generation.

    c. The Minister for Economic Growth considered the project aligns with the Government's economic growth ambitions, noting that the ability to access contingent water storage could lower wholesale electricity prices by around 7 per cent on average and lower consumer costs by $527 million per annum.

    d. The Minister for Regional Development considered the project has significant regional and national economic benefits but noted it is unclear whether these are outweighed by potential risks to energy supply.

    e. The Minister for the Environment commented the that if the project is successfully referred, the substantive application includes detailed information on the adverse effects mitigation measures. Schedule 5 of the Act requires such information to be provided as part of a substantive application.

    f. Te Rūnanga and Kā Rūnaka were both neutral on project referral. Their comments are summarised in the earlier paragraphs above pertaining to the section 18 report.

    g. DOC noted that the project application does not contain detailed information on potential significant adverse effects on ecology and proposed mitigations arising from the project. This information is not required at the referral stage and is already a requirement for a substantive application.

    h. LINZ advised it had no specific concerns with the project.

    i. Transpower advised that it supported project referral and considered the project aligns with section 22 criteria, including the continued functioning of regionally and nationally significant infrastructure and supporting climate change mitigation.

Further information provided by applicant, relevant local authorities, relevant administering agencies

24. In response to your request for further information under section 20 of the Act the applicant provided further information on the project's regional and national economic benefits.
25. You must consider all information received within the specified timeframe. We have taken this information into account in our analysis and advice (presented in Table A).

Reasons to decline

26. The statutory framework in Appendix 1 sets out the situations where you must decline the application for referral under section 21(3).
27. We do not consider you must decline this application.
28. You may also decline the application for any other reason under section 21(4). The Act gives some guidance on matters you could consider when deciding whether to decline an application and these are set out in Appendix 1.
29. We have considered the matters above and this is discussed in Table A, and we do not consider you should decline the project for any of these reasons.

Reasons to accept

30. The statutory framework in Appendix 1 sets out the reasons you can accept a project for referral
31. Our assessment of these matters is summarised in Table A. We consider the project meets the requirements of section 22, as it:
    a. Is an infrastructure or development project because it relates to the continued functioning of the Lake Pūkaki storage reservoir which is nationally significant infrastructure
    b. It would have significant regional or national benefits because it:
        i. would enable the continued functioning of this existing nationally significant infrastructure
        ii. would lower wholesale electricity prices by approximately 7 per cent, which has the potential to lower costs to consumers by approximately $518 million per annum or $1.5 billion over the project's three-year lifespan
        iii. would enhance the security of electricity supply through the proposed dam resilience works, with a contribution of approximately $1.6 million to regional GDP and employment of approximately 19.5 full-time equivalent jobs over the construction period
        iv. will reduce greenhouse gas emissions because the project increases the availability of hydroelectric power, thereby reducing reliance on coal generation, diesel power and thermal generation during energy shortage periods.
    c. Referring the project to the Fast-track approvals process would facilitate the project, including by enabling it to be processed in a more timely and cost-effective way than under normal processes under the RMA.

d. Is unlikely to materially affect the efficient operation of the fast-track approvals process because the temporary consent for eased access to contingent storage is specific and time-bound for the next three consecutive winters which ensures a streamlined review and approval process. The consent for the rock armouring is also considered unlikely to materially affect fast-track process due to the applicant's proposed development of a detailed construction methodology that will allow for the identification and mitigation of potential environmental effects.

Conclusions

32. We consider the project meets the section 22 criteria and you could accept the application under section 21 of the FTAA and refer the project to the next stage of the fast-track process as eligible to lodge a substantive application.
33. We consider that if you decide to refer the project, you should specify under section 27 of the Act the following requirements that should apply to the project:
    a. That if a substantive application is lodged, it includes a summary of consultation with Te Rūnanga o Ngāi Tahu, relevant papatipu rūnanga and their representatives since referral, outlining concerns raised regarding Ngāi Tahu settlement principles, statutory acknowledgements, and nohoanga entitlement, and explaining how this has informed the substantive application.
    b. That the expert panel invites comments on the application from Transpower New Zealand Limited under section 53(2)(n).
34. Those requirements aim to ensure that the concerns raised by Te Rūnanga o Ngāi Tahu are addressed in the substantive application and, as Transpower New Zealand manage the National Grid, their comments on a substantive application may usefully inform the expert panel.

Next steps

35. MfE must give notice of your decisions on the referral application, and the reasons for them, to the applicant(s) and anyone invited to comment under section 17 and publish the notice on the Fast Track website.
36. If you decide to refer the project, MfE must also give notice of your decision to:
    a. the panel convener
    b. any additional iwi authorities or Treaty settlement entities that you consider have an interest in the matter other than those invited to comment under section 17
    c. the Environmental Protection Authority (EPA)
    d. the relevant administering agencies- being the Ministry for the Environment and the Department of Conservation
37. You must also provide all of the information you received that relates to this application to the EPA and the panel convener, including:
    a. the referral application
    b. any comments received under section 17
    c. the report obtained under section 18.
38. We will undertake this action on your behalf.

39. We have attached a notice of decisions letter to the applicant(s) based on our recommendations (refer Appendix 7) and we will provide it to all relevant parties. We will provide you with an amended letter if required.

40. Our recommendations for your decisions follow.

Recommendations

41. We recommend that you:

a. **Note** section 21(3) of the Fast-track Approvals Act 2024 (FTAA) requires you to decline the referral application from Meridian Energy Limited if you are satisfied that the project involves an ineligible activity, or you consider that you do not have adequate information to inform the decision under this section or if you are not satisfied that the Lake Pūkaki Hydro Storage and Dam Resilience Works Project (project) meets the referral criteria in section 22 of the FTAA.

b. **Agree** that before making a decision on the application for project referral under section 21(1) of the FTCA you have considered:

i. the application in Appendix 2

ii. the report obtained under section 18 in Appendix 4

iii. any comments and further information sought under sections 17 and 20 and provided within the required timeframe in Appendices 5 and 6.

Yes/No

c. **Agree** you are satisfied the project will meet the referral criteria in section 22 of the FTAA as:

i. it is a development/infrastructure project that would have significant regional or national benefits because it:

- would enable the continued functioning of this existing nationally significant infrastructure
- would lower wholesale electricity prices by approximately 7 per cent, which has the potential to lower costs to consumers by approximately $518 million per annum or $1.5 billion over the project's three-year lifespan
- will enhance the security of electricity supply and contribute approximately $1.6 million to regional GDP and employment of approximately 19.5 full-time equivalent jobs over the construction period
- will reduce greenhouse gas emissions because the project increases the availability of hydroelectric power, thereby reducing reliance on coal generation, diesel power and thermal generation during energy

shortage periods.

ii. referring the project to the fast-track approvals process would facilitate the project, including by enabling it to be to be processed in a more timely and cost-effective way than under normal processes than under the RMA process

iii. it is unlikely to materially affect the efficient operation of the fast-track approvals process because the temporary consent for eased access to contingent storage is specific and time-bound for the next three consecutive winters which ensures a streamlined review and approval process. The consent for the rock armouring is also considered unlikely to affect process due to development of a detailed construction methodology that allows for the identification and mitigation of potential environmental effects.

Yes/No

d. **Agree** there is no reason the project must be declined under section 21(3)

Yes/No

e. **Agree** to accept the referral application under section 21(1) and refer all of the project to the next stage of the fast-track process as eligible to lodge a substantive application to be considered by an expert panel

Yes/No

f. **Agree** to specify Meridian Energy Limited as the person who is authorised to lodge a substantive application for the project

Yes/No

g. **Agree** to specify under section 27(3)(b)(ii) of the Act that the applicant must include with their substantive application:

i. A summary of consultation with Te Rūnanga o Ngāi Tahu, relevant papatipu rūnanga and their representatives since referral, outlining concerns raised regarding Ngāi Tahu settlement principles, statutory acknowledgements, and nohoanga entitlement, and explaining how this has informed the substantive application.

Yes/No

h. **Agree** to specify under section 27(3)(b)(ii) of the Act that the expert panel must invite comments on the substantive application from Transpower New Zealand Limited.

Yes/No

i. **Agree** that MfE will provide your notice of decisions to:

i. anyone invited to comment on the application including local authorities

and relevant Māori groups

ii. the panel convener

iii. the Environmental Protection Authority (EPA)

iv. The Ministry for the Environment and the Department of Conservation as the relevant administering agencies

Yes/No

Signatures

Ilana Miller
General Manager, Delivery and Operations

Hon Chris Bishop
Minister for Infrastructure

Date:

Table A: Stage 2 analysis

<table>
<tr><td>Recommendation</td><td colspan="3"></td></tr>
<tr><td rowspan="2">Project details</td><td>Project Name</td><td>Applicant</td><td>Project Location</td></tr>
<tr><td>Lake Pūkaki Hydro Storage and Dam Resilience Works</td><td>Meridian Energy Limited
c/- GHD Limited
The applicant is a legal person and is eligible to apply for consents.</td><td>Lake Pūkaki, located on Tekapo-Twizel Road, approximately 10 kilometres north of Twizel in the Mackenzie Basin.
Legal descriptions:
Lot 1-2 Deposited Plan 368484
Section 1 Survey Office Plan 380603.</td></tr>
<tr><td>Project description</td><td colspan="3">The project seeks resource consents for water takes from Lake Pūkaki to occur over three consecutive winters from winter 2026 at levels lower than the currently authorised minimum permitted level of 518mRL.
The project also seeks resource consents to install permanent rock armouring on Pūkaki Dam at the southern end of the lake. Rock armouring works can only be undertaken when lake levels are lower than the currently authorised minimum operating level. These works will take approximately 10-12 weeks to complete and may occur in stages over multiple years as lake levels allow.
The project will require the proposed approvals:
a. Resource consents under the Resource Management Act 1991
b. Wildlife permits under the Wildlife Act 1953 in case native lizard species require capture and relocation.</td></tr>
<tr><td rowspan="2">Minister invites comments / requests information</td><td colspan="2">Comments from invited parties</td><td>Further information from applicant, relevant local authorities, relevant administering agencies</td></tr>
<tr><td colspan="2">Local authorities
Canterbury Regional Council (CRC) - In response to section 17(3) of the Act, CRC confirmed that it does not hold a record of any competing applications in the same project area which have been approved and confirmed that there are no existing resource consents issued where sections 124C(1)(c) or 165ZI of the RMA could apply.
CRC noted potential benefits of the project including: increased energy security and resilience of supply for Canterbury and nationally, potential reductions in electricity prices for consumers, and improved sustainability through reduced reliance on fossil fuels, contributing to lower greenhouse gas emissions. CRC also noted that further assessments and/or information is required to understand the scale of actual and potential environmental effects of the project. We note that such information is a requirement of a substantive application.
Mackenzie District Council (MDC) - In response to section 17(3) of the Act, MDC confirmed that it does not hold a record of any competing applications in the same project area which have been approved and confirmed that there are no existing resource consents issued where sections 124C(1)(c) or 165ZI of the RMA could apply.
Ministers
The Minister for Energy
• considered the project a high priority, noting the urgent nature and importance of hydro storage and generation for electricity security of supply. The Minister considered the project relates to the continued functioning of regionally significant infrastructure (section 22(2)(a)(ii)) in the form of large-scale energy storage and generation.
• noted that Lake Pūkaki is New Zealand's largest hydro storage lake which holds 47% of New Zealand's hydro storage with an average output capacity of 1,767 GWh in normal operating conditions. The proposed access to an additional 5 metres of water storage (not accessible under standard process) would provide an estimated 545 GHw of additional hydro storage for electricity generation accessible over a three-year period.
• considered that management of hydro storage at Lake Pūkaki has wider implications for energy security of supply at a national level but acknowledged that Transpower has been invited to comment on the application.
The Minister for Economic Growth
• considered the project aligns with the Government's economic growth ambitions. The Minister noted that the applicant expects the project to provide 546 gigawatt per hour (GWh) of energy, equivalent to the annual electricity consumption of 75,000 households. This could lower wholesale electricity prices by $11 megawatt per hour (MWh), around 7% on average, which is assumed to lower electricity costs to consumers by approximately $527 million per annum.
• considered the project could provide economic benefits to firms and industry through reduced operational costs from lower electricity prices, and that increased supply of hydroelectric power may also address volatility in electricity prices and avoid potential price spikes in wholesale electricity markets.
• noted that accessing contingent hydro storage may have wider implications on the security of energy supply in the future but concluded that overall, the project could increase the supply of renewable electricity, potentially reducing the severity of wholesale electricity price spikes such as those which impacted energy intensive businesses in July and August 2024.</td><td>The applicant provided further information on significant regional or national economic benefits including the following information:
• A lack of hydro inflows in winter 2024 resulted in an increase of power prices to over $800/MWh briefly. The current forward price for electricity is above $180/MWh in Auckland until at least the end of 2028, with lifetime costs of building new generation being closer to $110 – 130/MWh.
• Concurrently, general inflationary pressures, exchange rate movements and more expensive financing are being reflected in higher costs of new renewable energy project construction. The project is expected to help avoid the gap between current electricity prices and build costs becoming too close
• While New Zealand has short-term solutions to manage stress driven by supply issues in the gas sector, easing of electricity prices can only be bought about by bringing low-cost fuel and storage management to market.
• Temporarily enabling access to contingent storage in Lake Pūkaki would make a significant contribution to easing electricity system stress during this transition period, leading to lower wholesale prices.
• The applicant has modelled the impacts of 'restricted' versus 'eased' access to contingent storage over three years. This modelling shows that significant savings are available to New Zealand if access to Lake Pūkaki contingent hydro storage is temporarily eased. Lower prices (of -$11.5/MWh or 7 per cent on average), a fall in volatility, a reduction in renewable spill and a drop in carbon emissions will together lead to a $518 million annual reduction in direct costs to consumers, or $1.5 billion over the project's three years.
• In addition to numerical savings, the project will enable the benefit of removing uncertainty surrounding hydro storage.</td></tr>
</table>

	The **Minister for Regional Development** • considered the project appears to have significant regional and national economic benefits with reduced household power costs and increased security of supply for consumers, but noted it is unclear whether these are outweighed by potentially severe risks to energy supply. • noted that lower and more stable wholesale electricity prices could support the resilience of regional manufacturing businesses that are large employers and dependent on affordable power to maintain viability, reducing the risk of further major business closures and associated regional job losses. • noted that in the longer term a more reliable electricity supply environment could also attract more investment from energy-intensive industries to New Zealand's regions. The **Minister for the Environment** • noted that the applicant would be required to provide more detailed assessments of environmental effects at the substantive stage. • considered you could use your discretion under section 27(3)(b)(ii) of the Act to specify information that is required to be provided with the substantive application, including a comparative assessment between the anticipated effects of the currently consented activity and the proposed operation. We note that Schedule 5 of the Act requires a substantive application to detail environmental effects. *Māori Groups* **Te Rūnanga o Ngāi Tahu (Te Rūnanga)** • was neutral towards project referral but requested consideration be given to their comments. Their comments noted the cultural importance of Lake Pūkaki and its environs and traditional associations the area holds for Ngāi Tahu. • noted that the project site is within the Lake Pūkaki Statutory Acknowledgment Area and is subject to an allocation of land for the Lake Pūkaki Nohoanga Entitlement. Some of the proposed project works fall within 220 metres of this entitlement and access to the entitlement is within the proposed area of works and machinery movement. Te Rūnanga noted that the application did not identify this entitlement or make note of it in their assessment on cultural values. • noted that the Nohoanga Entitlement is to enable Ngāi Tahu whānui to temporarily occur land (camp) close to water ways to provide access for fishing and gathering of natural resources within an area that extends beyond the land parcel where the entitlement is located. Use of the entitlement runs from 16 August to 30 April the following year and there is potential for an overlap between the project's rock armouring works and the entitlement period. **Kā Rūnaka** • provided a response on behalf of Te Rūnanga o Arowhenua, Te Rūnanga o Waihao and Te Rūnanga o Moeraki. Kā Rūnaka was overall neutral towards project referral. • noted that Lake Pūkaki and the Waitaki catchment is steeped in cultural and spiritual significance as enshrined in the Schedule 34 of the Ngāi Tahu Claims Settlement Act 1998. The Lake Pūkaki catchment is identified as a Rūnanga Senstive Area and the lake is a statutory acknowledgment area. • Regarding consultation, Kā Rūnaka noted that a letter was received by the applicant in February requesting feedback by March. Feedback was not provided at this time, and no further consultation has taken place. Kā Rūnaka are not able to confirm support or otherwise of the project prior to directly discussing the project with the applicant. They are of the view that further consultation with the applicant is required to better inform a position. • noted the project's potential for adverse effects relating to cultural values, air quality, water quality, ecology, groundwater, visual and landscape effects and erosion and dam integrity which are of interest to them, and additionally noted the potential for effects on plan integrity and precedent. Kā Rūnaka noted that it acknowledges the project cannot be progressed through the RMA due to its overall prohibited activity, and the importance of the lake for the electricity supply for New Zealand, which contributed to its overall neutral position on project referral. *Administering agencies* **Department of Conservation (DOC)** • noted that several areas of Public Conservation Land (PCL) border Lake Pūkaki • noted that it is likely any adverse effects can be managed by appropriate conditions and mitigation strategies which would be required for any substantive application. DOC noted that it is not aware of any other reason the project should not be referred. • noted that the application did not initially seek wildlife approval under the Wildlife Act and therefore the applicant did not consult with DOC as the relevant administering agency prior to lodging the referral application. The applicant has since consulted with DOC who have encouraged the applicant to engage further prior to lodging a substantive application if the project is referred. *Other persons or groups* **Land Information New Zealand (LINZ)** • had no specific concerns with the proposal to extend the allowed minimum lake level from 518m to 513m above sea level, nor with the proposed rock armouring works. LINZ noted that it would expect continued standard obligations on the applicant to manage shore erosion when operating the lake at the lower level. **Transpower New Zealand Limited (Transpower)**	• Regarding carbon savings, easing access to discretionary storage means lake levels will prevailingly be held lower to their efficient operating level. Lower lake levels are better able to capture renewable spill (mostly hydro) that would otherwise occur which in turn allows for a reduction in reliance on thermal generation and a fall in associated GHG carbon emissions of 225,000 tonnes per annum. With carbon prices currently being between $50-100//tCO2-e, the scale of this saving is $11-22 million annually of carbon credits that would no longer need to be purchased by thermal generators. • The dam resilience works will protect the nationally and regionally significant Pūkaki High Dam which is a crucial and irreplaceable component of the Waitaki Power scheme – New Zealand's largest and most flexible hydroelectric power scheme with a current Meridian asset value of $4.5 billion. • The proposed works have a total cost of approximately $1.6 million and will employ 19.5 full-time equivalent (FTE) jobs during the construction period of approximately 10-12 weeks.

	• supported project referral, noting that the project relates to the continued functioning of regionally and nationally significant infrastructure (section and support of climate change mitigation • Supported the proposed dam resilience works, but noted there could be implications for security of supply as a result of any delay to accessing contingent storage caused by the need for dam resilience works to occur first. • regarding the access to contingent storage, noted that there could be impacts on Genesis Energy Limited's Tekapo B power station and considered it is important that the Waitaki system overall is able to continue operating to ensure security of supply. Despite this complexity relating to emergency storage, Transpower considered there is merit in the applicant having greater flexibility to access some of the contingent storage, leaving sufficient water in Lake Pūkaki for it to continue to be the fuel of last resort in the electricity system for security of supply purposes.	
The Minister must decline an application if the Minister is satisfied that the project involves an ineligible activity [section 21(3)(b)]	Based on the information in the application, we consider the project is eligible for referral because: • it would not occur on identified Māori land, Māori customary land or a Māori reservation as confirmed by the relevant records of title • it would not occur in a customary marine title area or protected customary rights area as it is not in the coastal marine area • it is not an aquaculture activity or activity that is incompatible with aquaculture activities that would occur in an aquaculture settlement area and for which the applicant is not authorised to apply for a coastal permit because it will not occur in the CMA or an aquaculture settlement area • would not require an access arrangement which cannot be granted under the Crown Minerals Act (including s61(1A)) because it does not include an access arrangement • would not be prevented by section 165J,M, Q, ZC or ZDB of the RMA because it will not occur in the CMA • would not occur on Schedule 4 land as confirmed by the records of title • would not occur on a national reserve as confirmed by the records of title • would not occur on a reserve held under the Reserves Act 1977 that is managed by or vested in someone other than the Crown or a local authority and that person has not consented in writing as confirmed by the records of titles • is not a prohibited activity or decommissioning activity under the EEZA, 15B or 15C of the RMA as it does not involve activity in the EEZA • is not for the purpose of an offshore renewable energy project because it will not occur offshore or involve renewable energy production No comments raised by parties invited to comment have indicated that the project would be ineligible for referral.	
The Minister must decline an application if the Minister considers they do not have adequate information to inform the decision [section 21(3)(c)]	We consider that you do not have adequate information to inform the referral decision.	
Relevant considerations and procedural requirements in Treaty settlement, Mana Whakahono ā Rohe, joint management agreement, or the Marine and Coast Area (Takutai Moana) Act 2011 or the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 [section 16]	N/A.	
Section 22 assessment criteria		
The project is an infrastructure or development project that would have significant regional or national benefits [section 22(1)(a)]	The Minister may consider any of the following matters, or any other matters the Minister considers relevant. *Assess the factors that are relevant to the application. How is the factor relevant and is it being met by the project?* *The project has been identified as a priority project in a central or local government, or sector plan or strategy or a central government infrastructure priority list [s22(2)(a)(i)]* No – while the Minister for Energy considered the project to be high priority, the project has not been identified in any central government infrastructure priority list. We do not consider you should refer the project on this basis. *Will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure [s22(2)(a)(ii)]* Yes - as noted in comments from the applicant and the Minister for Energy, Lake Pūkaki is the largest storage reservoir in New Zealand and holds 47% of the country's hydro storage. If the project is accepted by an expert panel it would enable the continued functioning of this existing nationally significant infrastructure and we therefore consider the project meets s22(2)(a)(ii). *Will deliver significant economic benefits [s22(2)(a)(iv)]* Yes – the applicant has provided an assessment of economic benefits and the economic benefits of the project were considered significant by the Minister for Economic Growth and the Minister for Regional Development. In summary, the project is expected to deliver benefits including (but not limited to):	

	• lowering wholesale electricity prices by approximately $11 megawatt per hour (MWh) or 7 per cent, which will lower costs to consumers by approximately $518 million per annum or $1.5 billion over the project's three-year lifespan • supporting national economic well-being by enhancing the security of electricity supply • through the proposed dam resilience works, a contribution of approximately $1.6 million to regional GDP and employment of approximately 19.5 full-time equivalent (FTE) jobs over the construction period. No feedback has been received that would dispute this assessment. In addition to the above, Lake Pūkaki forms part of the Waitaki Power Scheme (WPS) which has a current Meridian asset value of $4.5 billion and the applicant invests an estimated $30 million annually in the management, upkeep and improvement of the WPS. *Will support climate change mitigation, including the reduction or removal of greenhouse gas emissions [s22(2)(a)(vii)]* Yes – the application notes that the project will reduce greenhouse gas emissions by -224 kT CO2 equivalent per annum. This is by because the project increases the availability of hydroelectric power, thereby reducing New Zealand's reliance on coal generation, diesel power and thermal generation during energy shortage periods. Additionally, the application notes that by enhancing the operability of the largest hydro storage reservoir in New Zealand, the project will provide 'necessary flexibility to manage hydro storage effectively, supporting the establishment of other renewable electricity generation sources' which the applicant considers aligns with New Zealand's goals for reducing emissions and transitioning to renewable energy sources. The application provides an analysis of the project against Policy 4 of the National Policy Statement for Freshwater Management (NPSFM) which requires that freshwater is managed as part of New Zealand's integrated response to climate change. The applicant considers this policy will be met by the project as renewable electricity generation is 'fundamental to the response to climate change'. We note, however, that this consideration must be balanced against any impacts on the climate that construction phases of the project may create (for example, effects on air quality). *Is consistent with local or regional planning documents, including spatial strategies [s22(2)(a)(x)]* Somewhat – <u>National Policy Statement for Renewable Electricity Generation (NPS-REG)</u> The NPS-REG applies to renewable electricity generation activities at any scale with the object 'to recognise the national significance of renewable electricity generation activities by providing for the development, operation, maintenance and upgrading of new and existing renewable electricity generation activities, such that the proportion of New Zealand's electricity generated from renewable energy sources increases to a level that meets or exceeds the New Zealand Government's national target for renewable electricity generation.' The applicant considers the policies that implement the objective and which are achieved by the project are: - recognising the benefits of renewable electricity generation (Policy A) - acknowledging the practical implications of achieving New Zealand's target for electricity generation from renewable resources (Policy B) - Acknowledging the practical constraints associated with the development, operation, maintenance and upgrading of new and existing renewable electricity generation activities (Policy C) The application notes that New Zealand gas supplies have been in steady decline for a number of years and consider the project supports the NPS-REG by enabling better utilisation of hydro storage which in turn operates existing electricity generation structures during periods of energy scarcity (such as experienced in winter 2024) more effectively. <u>The National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NES-CS)</u> The Pūkaki dam is located in an area with three Hazardous Activities and Industries List (HAIL) activities identified including: - storage tanks for fuel, chemicals or liquid waste - power stations, substations or switchyards - waste disposal to land The application provides a HAIL assessment which determined it is unlikely that contamination in soils are present at the site. The applicant further considers the project is consistent with 'aspects' of the Canterbury Regional Policy Statement, the Canterbury Land and Water Regional Plan, the Canterbury Air Regional Plan and the Waitaki Catchment Water Allocation Plan because: - the project will support the social and economic well-being of communities by enhancing the security of electricity supply while ensuring that adverse environmental impacts are property mitigated - the project is consistent with and support Policy 37 of the WAP which allows for the temporary lowering of Lake Pūkaki when necessary for the maintenance or rehabilitation of electricity generation infrastructure. The application notes that the project would be inconsistent with some objectives and policies relating to the lowering of lake levels only in times of national or South Island electricity shortage as established by the Electricity Commission, due to the prohibited status of the project's proposed activity. We consider the applicant's assessment reasonable. *Any other matters that may be relevant [s22(b)]* N/A
Referring the project to the fast-track approvals process [section 22(1)(b)	*Would facilitate the project, including by enabling it to be processed in a more timely and cost-effective way than under normal processes [s22(1)(b)(i)]* Yes - the applicant considers project referral is essential to facilitate the project given there is currently no statutory pathway to lower Lake Pukaki levels below 518mRL, without a plan change, due to its classification as a prohibited activity under the WAP. The application further notes that utilising the fast-track approvals process will help mitigate or avoid energy shortages such as were experienced in Winter 2024. This will improve market planning/utilisation of all the realisable generation capacity of Lake Pūkaki as well as enable the rock armouring works to be completed as soon as practicable – works which must occur when lake levels are lowered. We consider the applicant's claim reasonable. *Is unlikely to materially affect the efficient operation of the fast-track approvals process [s22(1)(b)(ii)* Yes - the applicant considers that the project is unlikely to materially affect the efficient operation of the Fast-track approvals process as the temporary consent for eased access to contingent storage is specific and time-bound for the next three consecutive winters which ensures a streamlined review and approval process. The consent for the rock armouring is also considered unlikely to affect process due to development of a detailed construction methodology that allows for the identification and mitigation of potential environmental effects. We consider the applicant's claim reasonable.
Reasons to decline	

Minister <u>must</u> decline [section 21(3)]	Minister may decline [section 21(4) and 21(5)(a-h)]
The Minister <u>must</u> decline a referral application if: *The application may not be accepted under subsection 1 (meets referral criteria)* We do not consider this applies based on our analysis that the project meets the criteria in section 22 *The Minister is satisfied the project involves an ineligible activity* We do not consider you must decline the project on this basis because no ineligible activities are identified *The Minister considers that they do not have adequate information to inform the decision under this section* We do not consider that you must decline on this basis. You have discretion to seek further information. We do not consider that you must decline the application under this section.	*The Minister <u>may</u> decline a referral application for any other reason, whether or not it meets the criteria in section 22.* *Reasons to decline a referral application under subsection 4 include, without limitation:* *The project would be inconsistent with a Treaty settlement, Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019, Marine and Coastal Area (Takutai Moana) Act 2011, a Mana Whakahono ā Rohe, or a joint management agreement* We do not consider the project would be inconsistent with any of these matters. *It would be more appropriate to deal with the matters that would be authorised by the proposed approvals under another Act or Acts* Given the activities prohibited status, there is no alternate pathway for the project to proceed without a Private Plan Change which the applicant does not consider viable due to time constraints and the urgency of the project. Canterbury Regional Council has not identified any specific reasoning as to why it would be more appropriate for this project to proceed under existing RMA processes. No other commentors or information provided suggest that it would be more appropriate to deal with the matters that would be authorised by the proposed approvals under another Act or Acts. *The project may have significant adverse effects on the environment* The application documents and comments received have both highlighted the potential for adverse effects, some of which may be significant. These include: • effects on cultural values, including treaty settlement obligations and entitlements • effects on public conservation land • effects on air quality and water quality • effects from HAIL activity • effects on dam integrity and groundwater • effects on ecology, including vegetation, wetlands, freshwater and native and endangered/critically threatened flora and fauna • effects on national security of electricity supply. We agree that these effects may be significant. However, if you choose to refer the project an expert panel will consider the potential adverse effects of the project with the benefit of full and informed assessments of environmental effects. A panel can also impose conditions on any consents granted to ensure that any significant environmental effects can be appropriately managed/mitigated. We have also taken this into consideration in our recommendations to you regarding information the applicant must submit with the substantive application under section 27(3)(b). *The applicant(s) has a poor compliance history under a specified Act that relates to any of the proposed approvals* No – the applicant has provided a letter (included at Attachment 2) confirming no compliance incidents in relation to the applicant's existing consents. The applicant produces an annual 'Waitaki Resource Consents Compliance Report' to ensure they are compliant with all 34 consents required to operate the Waitaki Power Scheme. *The project area includes land that the Minister for Treaty of Waitangi Negotiations considers necessary for Treaty settlement purposes* N/A. *The project includes an activity that is a prohibited activity under the Resource Management Act 1991* Yes – the project is an overall prohibited activity under the RMA due to the project requiring a temporary resource consent to operate the lake without restriction between 513 and 518mRL for approximately three years, which is a prohibited activity under Rule 12 of the Waitaki Catchment Water Allocation Regional Plan (WAP). Under its current resource consent conditions, the applicant is authorised to dam the Pūkaki River to control and operate Lake Pūkaki between 518 and 532.5mRL. The WAP outlines rules for water allocation in the Waitaki catchment and Rule 3 states that no person can take, use, dam, or divert water from Lake Pūkaki if the lake level is below the minimum lake level of 518mRL except in the following circumstances: • A minimum lake level of 513mRL during an Official Conservation Campaign (OCC) • A minimum lake level of 515mRL during a Security of Supply alert (SSA). The OCC and SAA relate to the ability to utilise contingent hydro storage and can only be triggered by Transpower as the system operator. An SSA will be triggered by the system operator if reported storage falls below a certain point and there is a determined 4% risk of shortage. An OCC is a period where the system operator calls on New Zealanders to voluntarily reduce their electricity usage and is declared when the risk of electricity supply shortage exceeds 10 pe cent, and is forecasted to continue to do so for at least one week.

	The applicant considers the security of supply regime to be unworkable as it does not provide adequate confidence to generators and customers that contingent storage will be accessible when needed. The applicant considers there is significant uncertainty surrounding access to contingent storage, particularly after winter 2024 where New Zealand experienced electricity shortages. The project therefore seeks consents to grant access to contingent storage without the OCC and SSA triggers, which would be prohibited under the RMA. We consider there are sufficient grounds for you to refer the project on section 22 criteria (discussed above) and do not consider you should decline the application on the basis of prohibited activity. An expert panel will include environmental planners who will be able to assess the activity status of proposed works in more detail should you decide to refer the project. We consider that in the context of an evolving hydroelectricity market in New Zealand, the applicant has provided sufficient rationale to have the application assessed by an expert panel. *A substantive application for the project would have one or more competing applications*. CRC and MDC confirmed that there are no competing applications in the project area. *Any other matter* Comments from the Minister for Energy and the Minister for Economic Growth indicated that the project could have implications on national energy supply. Despite this, both Ministers supported project referral. Should you decide to refer the project, an expert panel can consider any effects on future security of supply with the benefit of full assessments of effects. To assist in that assessment we have recommended that you direct a panel to invite comments from Transpower in addition to those specified in section 53 as the operator of the National Grid. We **do not** recommend you decline the application.

Statutory framework summary

1. You are the sole decision maker for referral applications. If you accept a referral application, then the whole or part of the project will be referred to the fast-track approvals process.
2. If a Treaty settlement, the Marine and Coastal Area (Takutai Moana) Act 2011, the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019, a Man Whakahono ā Rohe or a joint management agreement provides for consideration of any document or procedural requirements, you must, where relevant:

42. give the document the same or equivalent effect through this process as it would have under any specified Act; and

43. comply with any applicable procedural requirements.

3. You must decline a referral application if:
    a. you are satisfied the project does not meet the referral criteria in s22
    b. you are satisfied the project involves an ineligible activity (s5)
    c. you consider you do not have adequate information to inform your decision.
4. You may decline an application for any other reason, including those set out in s21(5) and even if the application meets the s22 referral criteria.

44. You can decline an application before or after inviting comments under s 17(1). However, if comments have been sought and provided within the required timeframe, you must consider them, along with the referral application, before deciding to decline the application.

5. If you do not decline a referral application at this initial stage you must copy the application to, and invite written comments from:
    a. the relevant local authorities,
    b. the Minister for the Environment and relevant portfolio Ministers
    c. the relevant administering agencies
    d. the Māori groups identified by the responsible agency
    e. the owners of Māori land in the project area:
    f. you may provide the application to and invite comments from any other person.
6. You can request further information from an applicant, any relevant local authority or any relevant administering agency at any time before you decide to decline or accept a referral application (see section 20 of the Act).

45. However, if further information has been sought and provided within the required timeframe, you must consider it, along with the referral application, before deciding to decline the application.