



FTAA–2506–1080: Application received for referral of the project under the Fast-track Approvals Act 2024 – Stage 1 decisions

Project Name: Clutha Hydro Scheme – Increasing Flexibility and Security of Electricity Supply

Date submitted:	15 July 2025	Tracking #: BRF–6466	
Security level:	In-Confidence	MfE priority:	Urgent

	Action sought:	Response by:
To Hon Chris Bishop, Minister for Infrastructure	Decisions on recommendations in Table A	18 July 2025

Actions for Minister's Office staff	Return the signed briefing to MfE FTAreferrals@mfe.govt.nz Send email to Ministers to invite comment
Number of attachments: 3	Appendices: 1. Statutory framework summary 2. Application documents for the Clutha Hydro Scheme – Increasing Flexibility and Security of Electricity Supply project (in File Exchange) 3. List of the Māori groups referred to in section 18(2))

Ministry for the Environment contacts:

Position	Name	Cell phone	1 st 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

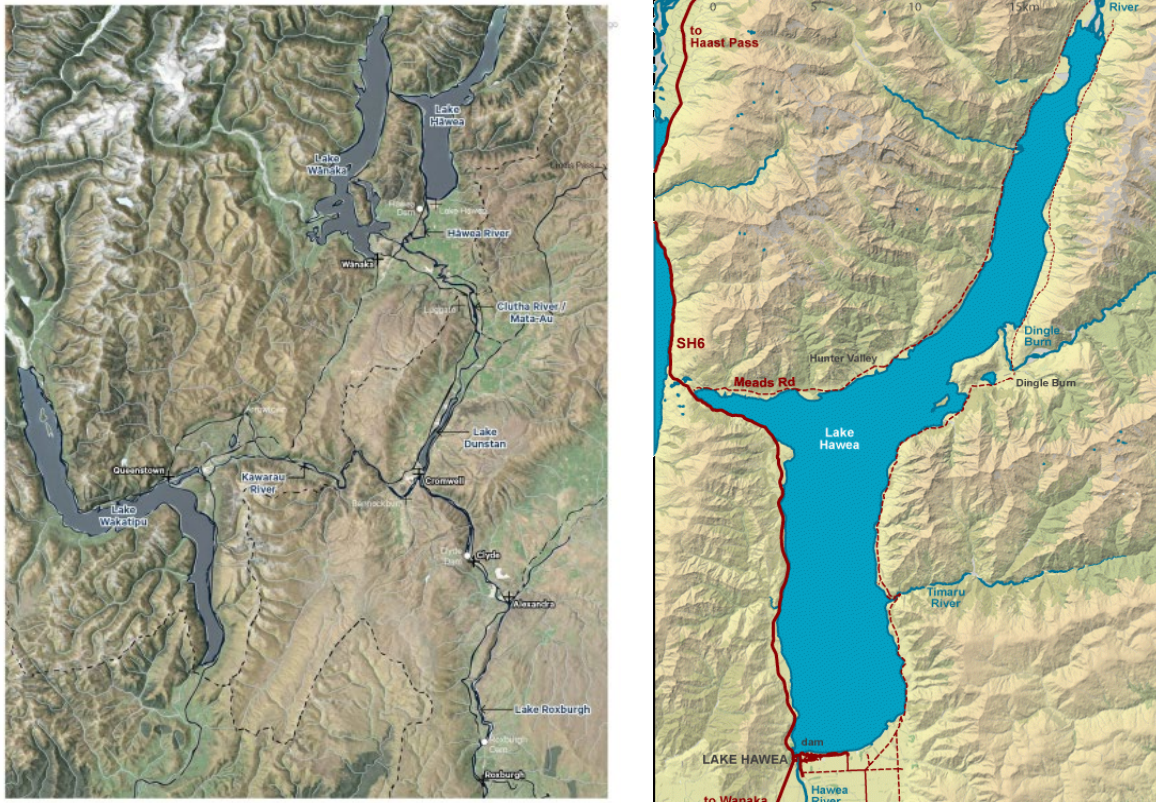


Figure 4: Clutha River / Mata-Au Hydro Scheme Overview.

Key messages

1. This briefing seeks your initial decisions on an application from Contact Energy Limited (Contact) to refer the Clutha Hydro Scheme – Increasing Flexibility and Security of Electricity Supply project (the project) under the Fast-track Approvals Act 2024 (the Act) to the fast-track approvals process. At this stage you can either decline an application for the reasons set out section 21, or provide the application to, and invite comments from, the parties identified in section 17. If you do not decline the application, you will receive a further briefing following receipt of comments, to support your final decision on whether to refer the project.
2. Lake Hāwea (the Lake) is a large, glacial lake with a body measuring 5 kilometres wide and 20 kilometres long, located in the Otago Region approximately 17 kilometres north of Wānaka. The Lake forms part of the wider Clutha Hydro Scheme (CHS) which is owned and operated by Contact. CHS is existing nationally significant infrastructure that provides 10% of New Zealand's electricity.
3. The project seeks to use the Fast-track process to enable an adjustment of Contact's generation capacity and an increase of the Lake's critical energy storage levels to manage dry year risks. The project also aims to provide a flexible source of hydroelectricity to back up intermittent generation like wind and solar, which depend on weather conditions. Contact considers the project will help achieve New Zealand's decarbonisation goals quickly and increase the security of New Zealand's electricity

supply.

4. Contact already holds resource consents to operate Lake Hāwea between 338–346 metres above sea level (masl), with contingent storage allowed down to 336 masl. The application seeks new consents to enable the normal minimum operating level of the lake to be lowered to 336 masl, and for contingent storage to 333 masl during a 4% Electricity Risk Curve alert (ERC) and to 330 masl during an 8% ERC. A summary of the existing consented operating range and proposed new operating range can be seen in Table 1 below.
5. The ERC is the alert level which indicates the risk level of an electricity supply shortage (or low contingent storage event) and can only be determined by the system operator, Transpower New Zealand.

Table 1: Summary of the existing consented operating range and proposed new operating range.

Operating Condition	Existing Consented Lake Levels	Proposed New Lake Levels	Increase in accessible MW from new consent
Normal Operating Range (minimum – maximum)	338masl – 346masl	336masl – 346masl	Increase of 70GWh / 23% increase (enough to power 10,000 homes for 1 year)
Contingent Storage Operating Range (minimum – maximum)	336masl – 338masl	333masl – 336masl at 4% ERC 330masl – 336masl at 8% ERC	333 – Provides ~100GWh of contingent storage (up from ~70GWh currently) at 4% ERC 330 – Provides an additional ~100GWh contingent storage at 8% ERC

6. The project additionally seeks a change to current consent conditions, specifically, those conditions which specify the minimum allowable lake level and contingent storage. Contact considers this necessary to implement the project by ensuring current consent conditions do not conflict with the proposed new consents. Contact considers these variations to be largely administrative in nature to enable the project and intends to process these simultaneously with the new consents sought.
7. Contact has indicated that it would not be possible to implement the project through variations under the Resource Management Act 1991 (RMA) alone. Our initial analysis has determined that the proposed variations are permitted by the Act, however, we recommend you seek further information from both the applicant and the relevant local authority to further understand the relationship between the proposed new consents and the proposed variations to current consent conditions under the Act, including an

explanation of why the new consents are required in addition to the variations.

8. No construction works are proposed as a part of the project.
9. All proposed approvals and variations are required under the RMA.
10. We have undertaken initial analysis of the referral application, and this is presented along with our considerations and recommendations in Table A.
11. We have decided the application is complete and complies with section 14 of the Act, as the application complies with section 13 requirements, may be capable of satisfying the criteria in section 22 and does not appear to involve an ineligible activity. The applicable fee and levy has been paid.
12. We recommend you progress consideration of the referral application to the next stage of analysis (Stage 2) and invite written comments from the parties prescribed in section 17(1) of the Act being: the Minister for the Environment, and the Minister for Energy as 'other relevant portfolio Ministers', relevant local authorities, relevant administering agencies, the owners of Māori land within the project area and identified Māori groups from section 18(2) of the Act. The parties are listed in Attachment 3.
13. We recommend that you invite written comments from the following as additional parties under section 17(5) of the Act:
 - a. The Minister for Economic Growth and the Minister for Regional Development
 - b. The Chief Executive Officer of Transpower New Zealand Limited (Transpower) because as the operator of the National Grid, Transpower can advise on any impact the project may have on national security of supply and contingent hydro storage
 - c. The Chief Executive Officer of The Electricity Authority because as the regulator of New Zealand's electricity system, The Electricity Authority can advise on any impact the project may have on national security of supply.

Action sought

14. Please indicate your decisions on the recommendations in Table A.

Signature



Ilana Miller
General Manager – Delivery and Operations

Table A: Stage 1 analysis

Project details	Project Name		Applicant		Project Location			
	Clutha Hydro Scheme – Increasing Flexibility and Security of Electricity Supply		Contact Energy Limited c/- Mitchell Daysh Limited The applicant intends to apply for resource consents, and change/cancellation of resource consent conditions under the Resource Management Act 1991 (RMA), therefore is eligible to apply.		Lake Hāwea in the Otago Region. Section 1-7 Survey Office Plan 24526 Lot 2-3, 5-6 Deposited Plan 25173 and Section 3 Survey Office Plan 16473 Lot 4 Deposited Plan 25173 and Lot 1 Deposited Plan 331348 Section 1 Survey Office Plan 24526.			
Project description	Contact intends to use the Fast-track process to enable a larger ability to adjust its generation capacity and increase critical energy storage levels to manage dry year risks. The rationale of the project also includes providing a source of flexible supply of hydroelectricity where intermittent generation forms of electricity generation such as wind and solar cannot, due to their reliance on prevailing conditions (such as the weather). Contact considers that the project will also help achieve New Zealand’s decarbonisation goals quickly and increase the security of New Zealand’s electricity supply. Contact already holds resource consents to operate and dam the Lake at a normal operating range between 338 – 346 metres above sea level (masl) and for contingent storage at a range between 336 – 338 masl. The project seeks new consents under section 42(4)(a) of the Act to enable the normal minimum operating level of the lake to be lowered to 336 masl, and for contingent storage to 333 masl during a 4% ERC and to 330 masl during an 8% ERC. The ERC is the alert level which indicates the risk level of an electricity supply shortage (or low contingent storage event) and can only be determined by the system operator, in this instance Transpower New Zealand. The project additionally seeks a change to current consent conditions under section 42(4)(b) of the Act. Specifically, Contact seeks to change those conditions which specify the minimum allowable lake level and contingency storage. Contact considers this necessary to implement the project by ensuring current consent conditions do not conflict with the proposed new consents. Contact considers these variations to be largely administrative in nature to enable the project and intends to process these simultaneously with the new consents sought under the Act. No construction works are proposed. All proposed approvals and variations are required under the Resource Management Act 1991 (RMA).							
Consultation undertaken	As required by s11, the applicant has consulted with:							
	Relevant local authorities		Relevant iwi authorities, hapu and Treaty settlement entities:		Relevant MACA groups	Ngā hapū o Ngāti Porou	Relevant administering agencies	Holder of land to be exchanged
	- Otago Regional Council - Queenstown Lakes District Council		Te Rūnanga o Ngāi Tahu		N/A	N/A	Ministry for the Environment	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. <i>Assess the factors that are relevant to the application. How is the factor relevant and is it being met by the project?</i> <i>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)]</i> The applicant considers yes – noting the reduction target established by the Climate Change Response Act 2002 to reduce New Zealand’s greenhouse gas emissions to net zero by 2050, and the Government’s intention to address infrastructure deficit and energy shortage through a series of changes to National Direction, including amendments to the National Policy Statement for Renewable Electricity to strengthen the policy guidance that renewable energy is vital to New Zealand’s prosperity. <i>Will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure [s22(2)(a)(ii)]</i> The applicant considers yes – noting that the CHS is recognised as existing nationally significant infrastructure in the Otago Regional Policy Statement. The applicant considers the project critical to the future efficient and flexible operation of the CHS and in maximising the contribution the CHS provides to New Zealand’s electricity (currently 10%). The applicant considers that with the added security to the network provided by the project, it will be set to deliver additional electricity during dry periods, putting downward pressure on wholesale electricity prices at their typically highest, as well as increasing ‘firming for intermittent renewable energy projects’. The applicant also notes that because the project utilises existing infrastructure, its significant national and regional benefits can be delivered with immediate effect upon obtaining consent. <i>Will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment [s22(2)(a)(iii)]</i> The applicant considers yes – while not directly contributing to the supply of housing, by providing significant security to the electricity network the project will meet housing needs and achieve a well-functioning urban environment. <i>Will deliver significant economic benefits [s22(2)(a)(iv)]</i> The applicant considers yes because:							

	- The project will have a positive impact on wholesale electricity prices which have risen sharply in recent years, with predictions for further increase due largely to the increase in cost of fossil fuels. The project will promote less burning of coal and gas. - No construction is required due to the existing CHS, which will provide increased cost savings to the end consumer faster as the project can be realised immediately upon securing consents, relative to the costs and time associated with development of new renewable electricity generation infrastructure. - Resulting increased electricity generation capacity will lead to enhanced environmental outcomes through reducing reliance on non-renewable electricity sources and will therefore contribute to mitigating effects of climate change which will have longer-term economic benefits by avoiding associated environmental damage caused by climate change. - The project will increase the availability of flexible renewable electricity generation and therefore enable the development of more intermittent renewable generation systems as such as solar and wind. The project will support 'turbo charging' the development of renewable electricity generation in New Zealand to provide for a more consistent supply to homes and businesses. <i>Will support primary industries, including aquaculture [s22(2)(a)(v)]</i> The applicant considers yes – the project will have a positive impact on wholesale electricity prices, support growth in generation and provide security to the network which supports primary industries. The application notes that primary industries are decarbonising with many key factories and facilities now using electricity for their generation requirements. <i>Will support development of natural resources, including minerals and petroleum [s22(2)(a)(vi)]</i> The applicant considers yes – the CHS utilises a natural resource (water) to generate electricity and the project will enable the use of this natural resource in a more efficient and reliable way to meet the electricity needs of New Zealanders. The application also notes that both the primary and extractive sector relies on electricity for its processing and day to day operations – the potentials of which cannot be unlocked without affordable, reliable and efficient supply of electricity. <i>Will support climate change mitigation, including the reduction or removal of greenhouse gas emissions [s22(2)(a)(vii)]</i> The applicant considers yes – the project will significantly support climate change mitigation and the reduction of greenhouse gas emissions because the project will increase the potential electricity generation capacity of the CHS and therefore the supply of renewable electricity to the National Grid. The application states that lowering the normal operating level of the Lake to 336 masl will result in a 23% increase in the electricity storage, sufficient to power 10,000 homes for one year. This amount of electricity saves approximately 68,000 tCO₂e compared to coal fired generation. <i>Will support climate change adaptation, reduce risks arising from natural hazards, or support recovery from events caused by natural hazards [s22(2)(a)(viii)]</i> The applicant considers yes – increasing the resilience of the electricity network is critical in the recovery from events caused by natural hazards. The application also notes that by enabling a larger operating range in the Lake, the project will improve the ability of the lake to manage flooding risks caused by high inflows. <i>Will address significant environmental issues [s22(2)(a)(ix)]</i> The applicant considers yes – as climate change is a significant environmental issue which the project addresses. <i>Is consistent with local or regional planning documents, including spatial strategies [s22(2)(a)(x)]</i> The applicant considers yes – the project seeks consents pursuant to the Otago Regional Council planning instruments. The Otago Regional Policy Statements (operative and proposed) and the Regional Plan: Water for Otago all recognise the value and importance of renewable electricity generation at a local, regional and national level. The application includes an assessment of the project against the relevant planning documents, including the Queenstown Lakes District Plan (Operative 2008) and other Queenstown Lakes District Council Strategies and Plans, concluding that the project is consistent with outcomes sought under all relevant documents. <i>Any other matters that may be relevant [s22(b)]</i> N/A.		
referring the project to the fast-track approvals process [section 22(1)(b)]	<i>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)]</i> The applicant considers yes – noting that in its experience, the consenting of projects related to waterways and water storage often triggers wide public interest from New Zealand and beyond, which can be a lengthy and challenging process. It is likely that an application for this project under normal processes would trigger public notification, a hearing process and appeals to the Environment Court which would add additional time and cost to the consenting process. The applicant estimates the consenting timeframe would be reduced by two years under the Act. <i>Is unlikely to materially affect the efficient operation of the fast-track approvals process [s22(1)(b)(ii)]</i> The applicant considers yes – as it considers the project meets the eligibility criteria and purpose of the Act, and the applicant has already commissioned technical assessments required to support the application to ensure a streamlined process.		
Minister invites comments	<i>You must copy the application to, and invite written comments from [s17(1)]:</i> • Otago Regional Council and Queenstown Lakes District Council as the relevant local authorities • The Minister for the Environment, and the Minister for Energy as 'other relevant portfolio Ministers' • The Ministry for the Environment as the relevant administering agency • The Māori groups identified in Attachment 3 • The owners of Māori land in the project area identified in Appendix 3	<i>The Minister may also copy the application to, and invite written comments from, any other person[s17(5)].</i> • The Minister for Economic Growth and the Minister for Regional Development. • The Chief Executive Officer of Transpower New Zealand Limited (Transpower) because as operator of the National Grid, Transpower can advise on any impact the project may have on national security of supply and contingent hydro storage. • The Chief Executive Officer of The Electricity Authority because as the regulator of New Zealand's electricity system, The Electricity Authority can advise on any impact the project may have on national security of supply.	<i>The Minister may request further information about a referral application from the applicant, the relevant local authorities, or the relevant administering agencies to be provided within the time frame specified in the request.</i> • Otago Regional Council as the relevant local authority and issuer of current consents: further information on the relationship between the proposed new consents and the proposed variations to current consent conditions, including an explanation on why the proposed new consents would be required in addition to the variations. • The applicant: further information on the relationship between the proposed new consents and the proposed variations to current consent conditions, including an explanation on why the

			proposed new consents would be required in addition to the variations.
Recommendations			Minister's decision
a.	Note that section 25 of the Act permits you to decline the referral application without inviting comments from the relevant local authorities and any relevant Ministers.		Noted
b.	Note that you have not yet provided the application to, nor sought any comments on it from, the parties listed in section 17(1) but that you are required to do so if you do not decline the application under section 21 of the Act.		Noted
c.	Note that section 17(5) of the Act permits you to forward an application to, and invite written comments from, any other person.		Noted
d.	Note that if comments have been sought and provided within the required time frame you are required to consider it, along with the referral application, before deciding to decline the application.		Noted
e.	Note that section 20 of the Act permits you to request further information from the applicant or relevant local authorities or relevant administering agencies at any time before you decide whether to accept or decline an application.		Noted
f.	Agree to progress the Clutha Hydro Scheme – Increasing Flexibility and Security of Electricity Supply Project to our Stage 2 analysis (invitation to comment and s 18 report stage).		Yes / No
g.	Agree to provide the application to, and invite comments from: - Otago Regional Council and Queenstown Lakes District Council - The Minister for the Environment and the Minister for Energy as 'other relevant portfolio Ministers' - The Ministry for the Environment as the relevant administering agency - The Māori groups identified in Attachment 3 - The owners of Māori land in the project area identified in Attachment 3		Yes / No Yes / No Yes / No Yes / No Yes / No
h.	Agree to provide the application to and invite comments from the following additional entities/persons under section 17(5): - The Minister for Economic Growth and the Minister for Regional Development - The Chief Executive Officer of Transpower New Zealand - The Chief Executive Officer of The Electricity Authority		Yes / No
i.	Agree to seek further information under section 20 from: - The applicant on the relationship between the proposed new consents and the proposed variations to current consent conditions, including an explanation on why the proposed new consents would be required in addition to the variations - Otago Regional Council on the relationship between the proposed new consents and the proposed variations to current consent conditions, including an explanation on why the proposed new consents would be required in addition to the variations		Yes / No
j.	Note that you have agreed to delegate to the Secretary for the Environment your responsibility to send all correspondence other than to Ministers		Noted
k.	Send email inviting Ministers to comment		Yes / No

Signed:

Hon Chris Bishop
Minister for Infrastructure

Date:

Appendix 1: 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 Mana Whakahono ā Rohe or a joint management agreement provides for consideration of any document or procedural requirements, you must, where relevant:
 - a. Give the document the same or equivalent effect through this process as it would have under any specified Act; and
 - b. 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.
5. 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 time frame, you must consider them, along with the referral application, before deciding to decline the application.
6. 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.
7. 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).
8. However, if further information has been sought and provided within the required time frame you must consider it, along with the referral application, before deciding to decline the application.

Appendix 2: Application documents for Clutha Hydro Scheme – Increasing Flexibility and Security of Electricity Supply Project: (in File Exchange)

Appendix 3: List of the Māori groups referred to in section 18(2)

Name of group	Type of group (section of Act)
Te Rūnanga o Ngāi Tahu	Iwi authority (s18(2)(a)); Treaty settlement entity – Ngāi Tahu Claims Settlement Act 1998 (s18(2)(a))
Te Rūnanga o Moeraki	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Kāti Huirapa Rūnaka ki Puketeraki	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Te Rūnanga o Ōtākou	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Te Rūnanga o Waihao	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Hokonui Rūnanga	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Waihōpai Rūnaka	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Te Rūnanga o Awarua	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Te Rūnanga o Ōraka-Aparima	Ngāi Tahu Papatipu Rūnanga – Iwi authority (s18(2)(a)); Treaty settlement entity (s18(2)(a))
Aukaha (1997) Limited	Entity owned by Papatipu Rūnanga (s18(2)(k))
Te Ao Mārama Incorporated	Entity owned by Papatipu Rūnanga (s18(2)(k))