



Energy and Resources

Affordable and secure energy underpins New Zealand's economy. National believes competitive and well-regulated energy markets support households and the transition to a low-emissions economy.

National signed New Zealand up to the Paris Agreement. In Government, National increased renewable electricity production from 65 to 85 per cent of supply. We have and will continue to be committed to reducing New Zealand's greenhouse gas emissions.

National believes that greenhouse gas policy needs to be fuel neutral unlike the current Government who have banned offshore oil and gas exploration. The Government should regulate greenhouse gas emissions, through mechanisms like the emissions trading scheme, rather than regulating individual fuels and fuel usage.

We believe it is critical that New Zealand is open to all technologies that support a transition to a net-zero emissions economy. Technologies, like carbon capture and storage, will be critical to reducing greenhouse gas emissions from processes such as steel and concrete manufacture.

National will:

- Take a fuel neutral approach to energy policy.
- Reverse Labour's oil and gas ban.
- Repeal the RMA and implement an environmental legal and regulatory framework that is less complex and provides more certainty to all stakeholders.

The Energy Transition

National lifted the share of renewable electricity from 65 to 85 per cent of supply when last in Government. This was achieved through an efficient and balanced Emissions Trading Scheme.

National believes in a fuel neutral approach to an energy transition. The role of Government should be to regulate greenhouse gas emissions, not tell people what fuels they can use for different things, as Labour is doing with their proposed ban on coal fired boilers.

Political targets for renewable electricity risk making electricity less affordable. With 85 per cent of our electricity already renewable, only 14 per cent of New Zealand's energy emissions are now from electricity. We need to focus on all energy emissions rather than just the 100 per cent renewable goal for electricity. The Climate Change Commission advises that;

"Going from 99 per cent to 100 per cent renewable electricity by overbuilding would avoid only 0.3 Mt CO₂e of emissions at a cost of over \$1,200 per tonne of CO₂e avoided. It is also likely to result in much higher electricity prices than in the business as usual future."

National will support current industries and their workforces as the strong platform on which new technologies will continue to emerge from.

National will continue to support Ara Ake, as the national energy development centre. We will assist them to work with the hydrocarbon sector to develop strategies to minimise emissions.

National will:

- Take a fuel neutral approach to government policy
- Focus on reducing all energy emissions

Emerging Technologies

National will ensure the regulatory settings support the uptake of new technologies such as Artificial Intelligence demand-response technologies, distributed energy, consumer two-way trading, smart charging and peer-to-peer technologies to enable local energy trading. We will investigate enabling "virtual power plants" to operate in the market for



peak demand in order to support network stabilisation.

National will continue to support the development of new opportunities such as hydrogen, offshore wind, biomass and biofuels.

Energy Efficiency for Consumers

National will support residential energy efficiency initiatives through the Energy Efficiency and Conservation Authority (EECA). We will engage with industry to develop insulation initiatives to improve energy efficiency in New Zealand homes.

Carbon Capture, Utilisation & Storage

UN modelling demonstrates that we cannot achieve global climate targets without using some level of Carbon Capture and Storage (CCS). CCS will be vital to reduce emissions from processes that require fossil fuels, such as cement and steel manufacture.

National will:

- Allow carbon capture and storage to be recognised in the Emissions Trading Scheme.

Oil and gas

National considers natural gas as a strategic resource essential for the security of our electricity supply and for high temperature industrial processes.

Natural gas results in lower greenhouse gas emissions than petrol or coal. UN modelling to achieve Paris Agreement targets forecast Natural Gas use to increase 21 percent by 2050 as countries shift from coal to natural gas. Presently, 38 percent of the world's electricity is generated from coal.

Labour received official advice that their ban on oil and gas exploration would cost the New Zealand economy billions and likely result in an increase in global emissions. This is due

to more coal being used globally to produce products like methanol.

Labour amended the RMA to include climate change as one of the considerations in the resource consent process. This means any application for new oil and gas extraction can be declined on the basis they will increase global warming. National believes the Emissions Trading Scheme is the right place to address greenhouse gas emissions. We will repeal the RMA, meaning applications for new oil and gas extraction will not be bogged down in the consenting processes.

National will:

- Reverse the Government's oil and gas ban.
- Begin work on the regulatory changes needed to import LNG (Liquefied Natural Gas) to meet essential energy needs if domestic supply was insufficient.
- Repeal the RMA.

Minerals

National supports responsible mining that can demonstrate an overall economic and environmental benefit.

Surface mining has always been banned on Schedule 4 (including National Parks) land in the conservation estate. National supports this ban. However, the balance of conservation land should continue to be available for exploration. National supports a case-by-case assessment of any mining proposals.

National supports the principle of 'net conservation benefit'. This requires new mines to show a net improvement in conservation protections by enhancing and protecting new land. We will work with the mining sector on the case-by-case process to achieve enhanced outcomes.

National will:

Implement a 'net conservation benefit' approach to new mines on land outside of Schedule 4.



Aggregates

Aggregates such as volcanic chips are used to manufacture concrete and build roads. This industry is facing increasing challenges due to the long-winded RMA consent process when existing consents come up for renewal. There is now a growing concern New Zealand won't be able to deliver the aggregates needed to produce the infrastructure we need to build over the next 10 years.

National will:

- Repeal the RMA.
- Implement a new environment act focused on clear and efficient environmental standards.

Policy Principles

We believe New Zealand needs a secure, affordable, low emission energy system as we strive for a net-zero future. Competitive markets are the best mechanism to achieve this. Energy markets should first and foremost benefit the consumer.

Only National understands a stable policy and regulatory environment is critical for investment confidence. We believe in a "no surprises" decision-making process, based on meaningful forward-looking engagement with stakeholders. Government intervention must be based on the identification of a clear market problem, with a solution which will lead to better outcomes and has broad support.

National supports an adequately resourced regulatory sector to support these principles.