Frequently asked questions

Clean Energy

- **Bringing forward our 100% renewable electricity generation target by five years to 2030**
- **Further investment in a dry year storage solution to enable New Zealand to achieve 100% renewable electricity**
- **Accelerate the electrification of our transport and industrial sectors**
- **Increase support to businesses to drive energy efficiency and help switch to renewable sources**
- **Invest in emerging technologies, such as green hydrogen, to position New Zealand as a world leader in renewable energy**

Q. Why is Labour focussing on clean energy?
A. We see clean energy projects as a key opportunity during our economic recovery following COVID-19. Investing in clean energy helps create jobs, reduce greenhouse gas pollution that causes climate change, and means lower costs for households long term.

Q. How does a dry year solution like pumped hydro help us get 100% renewable electricity?
A. New Zealand already generates enough renewable electricity to meet our electricity needs most of the time. But during peak electricity usage during the day we rely on fossil fuels to quickly increase supply. During a dry summer the amount of water stored in the lakes that power our hydro dams goes down and we have to ration the water which means we can't generate as much electricity. A scheme like pumped hydro can help solve this problem by working like a battery to move water to an upper reservoir when there is surplus renewable energy generation and releasing it back down through a hydro station when we need more electricity.

Q. What is the projected cost of a project like Lake Onslow?
A. Early estimates of a project like Lake Onslow are that it would cost about $4 billion. The business case is being completed to get certainty about the costs.

Q. How would a dry year solution be funded?
A. Funding and financing models along with any potential subsequent levies would be determined through the business case. The use of a levy would need to be justified via a demonstration of significant public good in the business case, including through overall lower prices for consumers in the long term.

Q. Can you achieve 100% renewable electricity without pushing up prices?
A. Yes, successful development of a dry year storage solution like Lake Onslow can ensure we keep electricity prices low while reducing our carbon emissions.

Q. Why are you bringing forward your 100% renewable electricity target?
A. If we are able to successfully deliver a dry year storage solution like Lake Onslow that would bring forward when New Zealand is able to affordably achieve 100% renewable electricity. That is why we are bringing forward the target from 2035 to 2030.

Q. Is pumped hydro your only option?
A. There are a number of ways we can achieve 100% renewable electricity including use of biomass, battery storage, and building more baseload renewable electricity generation however we believe pumped hydro is the option most likely to be successful at an affordable price.

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Q. Why focus on electrifying our transport and industrial sectors?
A. Our electricity is already mostly generated from renewable sources. Our cars and trucks however are mostly powered by petrol or diesel and our boilers that dry our milk or heat our buildings are sometimes powered by coal. Transport alone accounts for 20% of our emissions and has been the fastest growing source of emissions. Cutting back on the use of fossil fuels in our transport and industrial emissions is a key way to reduce our emissions and done right it can help stimulate our economy and reduce costs for households.

Q. How will the clean car standard help reduce costs to households?
A. New Zealanders cars are much less fuel efficient than other countries like the UK, the EU, Japan, and the USA. That means we end up spending more on petrol every year. For example the average annual petrol cost in New Zealand has been estimated at $2,007 compared to $1,251 in Europe despite petrol costing more in Europe. The clean car standard is estimated to deliver average fuel savings for New Zealanders of $6,810 over a vehicle's lifetime.

Q. What is Green hydrogen and how can it help cut transport emissions?
A. Green hydrogen is a fuel that is produced using renewable electricity sources to separate the hydrogen out of water. This produces a fuel that can replace petrol in our cars or diesel in our trucks without creating emissions that harm the environment. Hydrogen presents an opportunity to reduce our transport emission and create a new export market for New Zealand.

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