Legal 500
Country Comparative Guides 2026

New Zealand
Renewable Energy

Contributor

Russell McVeagh

Michael Loan

Partner | michael.loan@russellmcveagh.com

Daniel Minhinnick

Partner | daniel.minhinnick@russellmcveagh.com

Mei Fern Johnson

Partner | meifern.johnson@russellmcveagh.com

This country-specific Q&A provides an overview of renewable energy laws and regulations applicable in New Zealand.

For a full list of jurisdictional Q&As visit **legal500.com/guides**

New Zealand: Renewable Energy

1. Does your jurisdiction have an established renewable energy industry? What are the main types and sizes of current and planned renewable energy projects? What are the current production levels? What is the generation mix (conventional vs renewables) in your country?

Yes, New Zealand has an established renewable energy industry. The proportion of total electricity generation sourced from renewable energy sources is higher in New Zealand than most OECD countries.

New Zealand's total generation capacity was 9.8 GW in 2024. According to the Ministry of Business, Innovation and Employment ("MBIE"), approximately 85.5% of the electricity generated over 2024 came from renewable sources. Of this, hydroelectric generation accounted for 53.5%, geothermal accounted for 19.9% and wind accounted for 8.9% (in approximate percentages). Natural gas and coal accounted for 9.3% and 5.1% respectively.

Renewable energy makes up a significant portion of New Zealand's generation mix – this is largely due to New Zealand's existing hydro and geothermal generation fleet. In 2024, while overall hydro generation fell due to dry conditions that year, solar, onshore wind, and geothermal generation each reached record levels. MBIE reported that solar generation increased by 62% in 2024, driven by the commissioning of several utility-scale solar farms, while wind generation increased by 22% (due to new capacity additions and windy conditions) and geothermal generation increased by 13% (following the opening of the Tauhara and Te Huka 3 power plants, which together added 225 MW of capacity).

2. What are your country's net zero/carbon reduction targets? Are they law or an aspiration?

New Zealand's Climate Change Response Act 2002 ("CCRA") establishes a "split-gas" emissions target, and requires that:

- emissions of greenhouse gases other than biogenic methane (which relates broadly to methane emitted in the agriculture and waste sectors) are "net zero" by 2050; and
- emissions of biogenic methane are, against 2017 levels, 10% lower by 2030 and 14-24% lower by 2050.

New Zealand has a high proportion of biogenic methane in its emissions profile when compared with other developed countries, as a result of its significant agricultural sector. The biogenic methane target for 2050 was revised downwards in late 2025, following a government-commissioned review of the target for consistency with the concept of "no additional warming" (which is intended to recognise the short-lived nature of biogenic methane). This target does not apply to fossil methane associated with the energy sector.

The above target is embedded in domestic legislation. The Government is required to prepare emissions budgets with a view to meeting the 2050 target. The Government is also required to prepare emissions reduction plans setting out the policies and strategies for meeting emissions budgets.

Emissions budgets must be met, as far as possible, through domestic emissions reductions and removals, although offshore mitigation may be used in limited circumstances. While the target and emissions budgets are not generally legally enforceable, a court may make a declaration that the targets have not been met, and such a declaration must be brought to the attention of Parliament.

The Climate Change Commission (New Zealand's independent crown entity responsible for advising the Government on climate change mitigation and adaptation) ("CC Commission") is required to periodically review the target under the CCRA by reference to the criteria set out in the CCRA.

In addition to its domestic target, New Zealand submitted its second Nationally Determined Contribution ("NDC") under the Paris Agreement in 2024, which was updated in 2025 to include a headline target to reduce net domestic emissions by 51 to 55% below New Zealand's gross 2005 level by 2035. The NDC may be met using a mix of domestic action and international mitigation, where New Zealand effectively purchases emissions reductions from other countries.

3. Is there a legal definition of 'renewable energy'

in your jurisdiction?

There is no definition of “renewable energy” that is of general application under New Zealand law.

“Renewable energy” is however defined in New Zealand's primary consenting legislation (the Resource Management Act 1991 (“RMA”)), as “energy produced from solar, wind, hydro, geothermal, biomass, tidal, wave, and ocean current sources”. Persons exercising functions under the RMA (for example, persons considering applications for resource consent) are required under the RMA to have particular regard to (among other things) the benefits to be derived from the use and development of renewable energy.

4. Who are the key political and regulatory influencers for renewables industry in your jurisdiction? Is there any national regulatory authority and what is its role in the renewable energy market? Who are the key private sector players that are driving the green renewable energy transition in your jurisdiction?

MBIE is the key government department that advises the Government on, and develops and implements policies relating to, energy in New Zealand. MBIE has in recent years consulted on a range of energy transition topics, including plans for the gas industry's transition to low emissions, the potential role of biogas, a hydrogen action plan, regulations on offshore renewable energy development and market measures supporting an expanded renewable electricity system. Amendments to the National Policy Statement for Renewable Electricity Generation and Electricity Networks came into force in January 2026, providing more directive national direction for renewable electricity generation, transmission and distribution, and are intended to streamline consenting.

MBIE also monitors the Electricity Authority and the Energy Efficiency and Conservation Authority (“EECA”). The Electricity Authority regulates the New Zealand electricity market, administering and enforcing key legislation such as the Electricity Industry Act 2010 and the Electricity Industry Participation Code 2010 (“Code”). The Government has signalled it intends to introduce legislation in mid-2026 to enhance the Electricity Authority's role and powers. EECA serves an advisory role to the Minister and administers the Energy Efficiency and Conservation Act 2000.

Other key government bodies include the Ministry for the Environment, which advises the Government on environmental matters and administers the RMA (the standard consenting regime for renewable energy projects). It also monitors the CC Commission. The Environmental Protection Authority regulates environmental functions under the RMA and provides administrative support for offshore renewable energy applications in the exclusive economic zone.

Foreign direct investment is regulated by the Overseas Investment Office (“OIO”). Consent under the Overseas Investment Act 2005 (“OIA”) may be required for renewable energy projects involving overseas persons (see Question 6).

In terms of private sector players, the four largest generators are Meridian Energy, Genesis Energy, Mercury and Contact Energy (which acquired Manawa Energy in 2025). The Government holds a 51% majority stake in each of Meridian, Genesis and Mercury and recently confirmed its willingness to participate in equity raises for major new renewable investments pursued by these companies where the investment case is sound.

Independent developers have entered the market in recent years, particularly in solar, with some also exploring offshore wind opportunities.

Finally, New Zealand's transmission and distribution businesses are critical in supporting renewable electricity; these will require significant capital expenditure in coming years to meet increasing demand. Transpower operates and maintains the transmission infrastructure known as the National Grid, while 29 electricity lines companies operate the distribution networks.

5. What are the approaches businesses are taking to access renewable energy? Are some solutions easier to implement than others? If there was one emerging example of how businesses are engaging in renewable energy, what would that be? For example, purchasing green power from a supplier, direct corporate PPAs or use of assets like roofs to generate solar or wind?

Businesses are increasingly considering corporate power purchase agreements (“PPA”) with generators of renewable energy. Such PPAs may be available from a single-project generator or a generator with a broader portfolio (including generators that own non-renewable energy projects but offer renewable energy certificates linked to a specific renewable energy project).

These agreements are relatively flexible and can take the form of virtual PPAs (structured as contracts-for-difference) or physical PPAs (including behind-the-meter agreements). PPAs with a "sleeved" component are also becoming more relevant, as they can enable a corporate buyer to benefit from the pricing and green attributes of a renewable energy project through the involvement of their electricity retailer (being the typical intermediary for a sleeving arrangement), whilst also enabling the corporate to contract for its firming volume requirements (or to otherwise address volume risks that would typically exist under a direct corporate PPA).

The key benefits that corporate buyers may achieve by entering into PPAs are mitigating future electricity pricing risk and, typically, the ability to acquire renewable energy certificates, which may be utilised to report a reduction in their reported scope 2 carbon emissions.

Whilst New Zealand's corporate PPA market remains relatively nascent, activity is expected to increase as a broader range of developers seek offtake solutions for their renewable energy projects and businesses become increasingly conscious of where they source their energy requirements. The Government is also exploring how public sector energy demand could support new generation investment. Major government energy users, including Health New Zealand, the New Zealand Defence Force, and the Department of Corrections, are being considered as potential anchor offtakers for long-term renewable PPAs.

In addition, New Zealand businesses are increasingly looking to utilise roof space for systems that generate solar power. By way of example, Ikea New Zealand's recently constructed flagship store in Sylvia Park, Auckland makes use of rooftop solar with a maximum production capacity of 1,289 MWh per year (supplying approximately half of the building's total electricity).

6. Has the business approach noticeably changed in the last year in its engagement with renewable energy? If it has why is this (e.g. because of ESG, Paris Agreement, price spikes, political or regulatory change)? What are the key developments in renewable energy in your country over the last 12 months?

ESG considerations and climate policy remain prevalent in boardrooms across New Zealand. Boards are continuing to respond to the mandatory climate-related disclosures regime for large publicly listed issuers and financial institutions (as to which, see Question 7), which embeds climate risk into business governance, strategy and capital allocation.

International trade developments also influence domestic business decisions in this space. For example, the Free Trade Agreement between New Zealand and the European Union, which came into force on 1 May 2024, includes environmental and sustainability commitments relevant to exporters.

As to the approach of the Government in the renewable energy sector, its focus in recent years has been on creating a more efficient regulatory environment to encourage industry development and investment. This is evident in several legislative developments:

- The Fast-track Approvals Act 2024 ("FTAA") was enacted in December 2024, which provides a "fast-track" regime for the consenting of projects of national and regional significance, including onshore renewable energy projects. It provides a "one-stop-shop" for these projects to obtain environmental and planning approvals to begin construction and start operating. Over 15 renewable projects were listed projects within the FTAA, with further renewable projects having been referred by the Minister, and multiple renewable projects having securing approvals under the FTAA.
- The RMA – the Resource Management (Consenting and Other System Changes) Amendment Act, which was implemented in August 2025, was designed to make it significantly easier to consent new infrastructure and renewable energy projects under the RMA. It introduced a requirement for decision makers to process and decide on renewable energy projects within one year of an application being made. It also introduced a default 35-year consent duration for all renewable energy projects and doubled the default lapse period of the consent to 10 years.
- In November 2024, MBIE released a Hydrogen Action Plan. As set out in this plan, the Government indicated that it would prioritise creating an enabling regulatory environment, reducing barriers for consenting hydrogen projects, promoting cost-effective and market-led transition towards a low-emissions economy, and supporting access to international investment in markets. The Government has also stated their commitment to progressing carbon capture, utilisation and storage enabling legislation.

There has also been a strong focus in New Zealand on ensuring that the electricity market remains fit for purpose as demand for electricity increases. Transpower, which operates and maintains New Zealand's transmission infrastructure, received approval in 2024 to undertake a $392.9 million investment to upgrade existing grid connections. This forms the first phase of further upgrades expected to be made to grid infrastructure in the coming years (see Question 17 for more details).

Additionally, the Energy Competition Task Force, established in 2024, has continued its programme of work. Its latest priority areas (published in April 2026) include continuing progress on level playing field measures (which were part of the 2024–2025 programme), using alternatives to transmission investment at grid exit points to improve network performance and manage demand and addressing lines company pricing and competition issues.

7. How visible and mature are discussions in business around reducing carbon emissions; and how much support is being given from a political and regulatory perspective to this area (including energy efficiency)?

Discussions around reducing carbon emissions are prominent across New Zealand organisations and have matured significantly in recent years.

A major contributor has been the implementation of the mandatory climate-related disclosures regime. Large listed issuers and financial institutions ("Climate Reporting Entities") must report publicly on their climate-related risks and opportunities annually, including greenhouse gas emissions, their targets for managing climate-related risks and opportunities and transition plans. While the Government is progressing legislation to reduce the number of entities captured (recognising the substantial compliance costs), the regime has already driven a material increase in the understanding of climate risk across the market. Transition relief remains available to Climate Reporting Entities for more complex disclosures, including scope 3 emissions and anticipated financial impacts, however, mandatory reporting in these areas take effect from 2028 (and organisations are upskilling accordingly).

New Zealand has a relatively settled regulatory framework for climate change mitigation, embedded in the CCRA. This legislation sets domestic emissions reduction targets, requires the Government to implement emissions budgets and emissions reduction plans and establishes the New Zealand Emissions Trading Scheme ("NZ ETS") as the primary policy tool for driving national emissions reductions. The independent CC Commission, which was established by the CCRA, also advises on emissions budget levels and the policy direction needed in an emissions reduction plan to meet these budgets.

The CCRA generally enjoys cross-party support from New Zealand's major political parties, although their specific policies for reducing carbon emissions vary.

The current Government seeks to encourage industry investment by creating a permissive regulatory environment to drive electrification, including through streamlining consenting processes. For example, the FTAA (passed in December 2024) establishes a simplified fast-track regime for infrastructure developments with significant regional or national benefits – aiming to accelerate the development of low-emissions infrastructure by reducing regulatory barriers. At the same time, the Government has scrapped flagship policies of the previous administration, including the Clean Car Discount, the Government Investment in Decarbonising Industry Fund and a proposed NZ ETS review. It has also repealed the previous administration's ban on oil and gas exploration.

Most public sector agencies in New Zealand are subject to the Carbon Neutral Government Programme, which requires government agencies entering or renewing leases to target a NABERSNZ rating above 5 stars and achieve a minimum of 4 stars, with public disclosure. NABERSNZ is New Zealand's adaptation of the National Australian Built Environmental Rating System, which measures the energy efficiency of occupied commercial buildings that have been operating for a year or more. As the Government is a significant property owner and tenant in New Zealand, these requirements are driving market improvements in energy efficiency in buildings.

8. How are rights to explore/set up, interconnect or transfer renewable energy projects, such as solar or wind farms, granted? How do these differ based on the source of energy, i.e. solar, wind (on and offshore), nuclear, carbon capture, hydrogen, CHP, hydropower, geothermal; biomass; battery energy storage systems (BESS) and biomethane?

Broadly, the right to develop an onshore renewable energy project in New Zealand must be secured privately through the acquisition of relevant rights to the land on the project site. Developers typically first obtain an option

to enter into (or acquire) the relevant land rights needed for the construction and operation of the project over its lifetime (eg a lease or, depending on the project, easement rights). A license to enter the land and conduct feasibility studies prior to the exercise of such option is usually sought. Such rights are privately negotiated between the developer and the landowner (if the land is not already owned by the developer).

In addition to securing land rights, unless the project is "behind the meter", a developer will need to obtain the right to connect the project to a relevant distribution network or to New Zealand's National Grid. For onshore grid connection enquiries of up to 500 MW, developers must join Transpower's queuing system for grid connections. This requires (among other things) that applicants show evidence of project readiness (to demonstrate they have undertaken adequate due diligence and project development activity prior to the grid connection investigation phase) and pay an application fee.

For onshore renewable energy projects, a land use consent is also required from the relevant consenting authority under the RMA (as to which, see Question 10). Such consent attaches to the relevant land and may be enjoyed by the owners and occupiers of the land (except if the resource consent provides otherwise).

In terms of the development of offshore renewable energy in New Zealand, the Offshore Renewable Energy Bill passed its second reading in October 2025. The regime proposed under the Bill provides for feasibility permits, which grant the holder exclusive rights to conduct feasibility studies over a specified area for seven years, as well as the exclusive right to apply for a commercial permit following feasibility studies. Commercial permits will enable the permit holder to give effect to their resource or marine consent to begin construction and operation of offshore renewable energy generation infrastructure within the designated area (subject to obtaining relevant environmental consents under the RMA and the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 ("EEZ Act")). We understand that commercial permits will be valid for 40 years.

9. Is the government directly involved with the renewables industry (auctions etc)? Are there government-owned renewables companies or are there plans for one?

The Government does not take a significant direct role in the renewable energy industry and instead focuses on ensuring that New Zealand's market and regulatory settings encourage private sector investment in the industry.

The Government is nevertheless the majority shareholder in Meridian Energy, Genesis Energy and Mercury, being three major generators of renewable electricity in New Zealand, and is also the owner of Transpower New Zealand, the owner and operator of the National Grid. In addition, the Government is involved with the renewables industry through the Government agencies and regulatory bodies referred to in Question 4.

10. Please provide a brief overview of key legislation and regulation in the renewable energy sector, including any anticipated legislative proposals.

A core part of the Government's strategy has been to reduce consenting timelines to speed up development and boost economic growth.

The key legislation regulating the development of new renewable energy projects in New Zealand is the RMA, which contains the consenting regime for projects onshore and up to 12 nautical miles off the coast. Sitting below the RMA is a National Policy Statement on Renewable Electricity Generation 2011 (amended in 2025), which seeks to provide a consistent approach to planning for renewable electricity generation in New Zealand. Recent amendments which came into effect in January 2026 require that councils must recognise and provide for the national significance and the national, regional and local benefits of renewable energy generation and enable renewable energy generation assets and activities among other greater mandatory considerations.

For renewable energy projects in New Zealand's offshore environment, approvals are required under the EEZ Act. This Act manages the effects of activities in the exclusive economic zone (12 to 200 nautical miles from the coast of New Zealand) and in or on the continental shelf. Applications for consent under the EEZ Act have been discouraged while the Offshore Renewable Energy Bill and the commercial permitting regime is being developed. As described in Question 6, the Government has also enacted the FTAA which seeks to speed up the consenting process for major infrastructure projects, including renewable energy developments.

The Government has acknowledged that around $100 billion of investment will be needed by 2050 to upgrade New Zealand's transmission and distribution networks to

meet growing electricity demand driven by electrification and population growth. In August 2024, the Government released its next steps on the 'Electrifying New Zealand' plan. In summary, these included the following:

(a) Introducing a fast-track approvals and permitting regime – this has taken the form of the FTAA.

(b) Making amendments to the RMA for renewable energy projects to speed up resource consenting, extend the default lapse period from 5 years to 10 years and increase the default consent duration to 35 years – these have been implemented through the Resource Management (Consenting and Other System Changes) Amendment Act, which came into force in mid-2025.

(c) Implementing stronger national direction for renewable energy, including the amendments to the National Policy Statements for Renewable Electricity Generation and Electricity Transmission so they are far more directive and enabling of renewable electricity and transmission.

(d) Introducing a new regime for offshore wind – the Offshore Renewable Energy Bill has been introduced to Parliament and passed its second reading proposing such a regime.

(e) Updating regulatory settings for electricity networks and new connections – the Commerce Commission and the Electricity Authority are undertaking work to update regulatory settings to ensure New Zealand's system can cope with the economy-wide shift to electrification. In 2024, the Electricity Authority released a consultation paper on distribution connection pricing reform and introduced amendments to the Code to improve connection pricing methodologies. These amendments came into effect in April 2026.

Please also refer to Question 2 for the key legislation in respect of the emissions reduction target in New Zealand and the Government's initiatives in that space.

11. Are there any government incentive schemes promoting renewable energy (direct or indirect)? For example, are there any special tax deductions or subsidies (including Contracts for Difference) offered? Equally, are there any disincentives?

There are no direct government incentive schemes promoting renewable energy in New Zealand, such as special tax deductions, subsidies, contracts for difference or feed-in tariffs. Certain small-scale and community-based renewable energy projects have however benefited from grants.

Whilst the Government does not provide direct financial incentives for renewable energy projects, it supports private sector development by aiming to ensure that the regulatory framework facilitates investment (for example, the consenting regime).

The NZ ETS is New Zealand's main regulatory tool designed to incentivise the transition towards cleaner energy use by New Zealand businesses. The NZ ETS incentivises businesses to transition to lower-emissions energy sources by assigning a price to emissions and charging those prices to certain sectors of the economy for the annual greenhouse gases they emit. A significant update was made to the NZ ETS in November 2024, when it was amended to exclude the agriculture sector. Accordingly, from January 2026, farmers are no longer required to report on their emissions and, from 1 January 2027, farmers will not be required to pay for their emissions.

Given New Zealand's electricity generation mix is already highly renewable relative to other countries, electrification and the resulting expected future increase in demand for electricity in New Zealand is a primary driver of the business case for renewable energy development.

12. How does the structure of the natural gas industry in your country impact the price of electricity? Are there any plans to de-link the price of renewable electricity from gas prices? Are there plans in your jurisdiction to keep open coal plants originally scheduled for retirement?

The natural gas industry is privately owned and there is a shrinking domestic supply, which can make electricity prices sensitive to gas availability when combined with other factors impacting the generation sector.

While there are currently no formal policies in place to de-link the price of renewable electricity from gas prices, the Government published a review of electricity market performance in October 2025 which assessed whether the current market structure, design, and rules are still fit for purpose. As part of this, the Government outlined a suite of measures it will pursue to strengthen the electricity market, including facilitating a procurement process for an LNG import facility.

New Zealand's only major coal-fired generation facility is Huntly Power Station, owned by Genesis Energy. Genesis Energy has committed to using biomass to reduce the need for imported coal at Huntly Power Station. However,

at present, coal remains necessary to bridge electricity supply gaps during periods of high demand and constrained renewable or gas output.

13. What are the significant barriers that impede both the renewables industry and businesses' access to renewable energy? For example, permitting, grid delays, credit worthiness of counterparties, restrictions on foreign investment, regulatory constraints on acquisitions; disputes/challenges?

A key potential barrier for independent developers in New Zealand is the securing of the offtake arrangements required to raise project financing debt and/or to satisfy the risk/return profile of their equity investor(s). Spot prices for electricity are nodal and can be volatile. Accordingly, many developers desire to secure long-term PPAs to hedge their power price exposures.

The creditworthiness of offtakers and other key project participants (e.g. construction contractors) is another important factor for developers to consider, particularly where project debt financing will be required.

Grid connection delays may become increasingly relevant in New Zealand. Significant investment is required in New Zealand's transmission and distribution networks to support the expected increasing demand for electricity. New generation connections are themselves significant projects and Transpower (the operator of New Zealand's National Grid) manages a queuing system to assess and progress interest in new connections for renewable energy projects.

Securing a resource consent under the RMA is a key milestone for developers. The FTAA provides an alternative consenting pathway designed to simplify and accelerate approvals for major infrastructure projects, including renewable energy developments.

Another relevant factor for investors is that the OIA requires (broadly) that an "overseas person" obtain consent from OIO before giving effect to an investment where the overseas person acquires ownership or control (either directly or indirectly) of:

- "sensitive land" (which includes any residential land, farm land and certain forestry rights);
- "significant business assets"; or
- fishing quotas.

Renewable energy projects often involve "sensitive land" and/or may meet the relevant financial threshold for an investment in "significant business assets". For any proposed project, legal advice should be taken as to whether the requirement for consent will be triggered and, if so, when consent must be obtained.

14. What are the key contracts you typically expect to see in a new-build renewable energy project?

The key contracts you would typically expect to see in a new-build renewable energy project in New Zealand include:

- land rights agreements, e.g. options for a lease and/or easements (or, if the project has already reached the start of construction, the lease and/or easements themselves);
- connection agreements (which, in the case of a grid-connected asset, would typically include a Transpower works agreement as the relevant connection works agreement);
- EPC contract or other construction agreements (including a turbine supply agreement in the case of a wind project);
- other equipment supply agreements (for example, a photovoltaic panel supply agreement), if not wrapped into the relevant construction agreement(s);
- operation and maintenance agreement;
- management services agreement, if required in respect of the management of the project vehicle;
- project financing agreements with lenders who finance the project;
- agreement(s) providing for the funding requirements from the equity investors; and
- PPA(s) with offtaker(s).

15. Are there any restrictions on the import or export of renewable energy, local content obligations or domestic supply obligations? What are the impacts (either actual or expected) in your jurisdiction of the implementation of the Net Zero Industry Act (EU) Regulation 2024/1735 or the "foreign entity of concern" regulations in the U.S.?

There are no specific restrictions relating to local content obligations or domestic supply obligations in New Zealand. However, if any of the conditions of an OIO consent for the investment (in the event consent is required under the OIA) requires the creation of new jobs

in New Zealand, that condition would need to be complied with.

New Zealand does not have an interconnector with another country and, therefore, there is no capacity to import or export free-flowing electricity. The import and export of green hydrogen is not specifically restricted in New Zealand. The Government's 2024 Hydrogen Action Plan signals an intention to support the development of green hydrogen infrastructure by removing regulatory barriers, streamlining consenting processes and encouraging foreign direct investment in the sector.

The exact impacts of the Net Zero Industry Act (EU) Regulation 2024/1735 ("EU Regulations") are unclear for New Zealand, although they are not likely to have a direct impact on the build out of new generation in New Zealand. The Ministry of Foreign Affairs and Trade has however stated that, in respect of the EU Regulations, an increase in subsidy levels for European producers in sectors deemed critical to the green transition may risk undermining the competitiveness for New Zealand and other foreign exporters without similar government support.

We understand that the "foreign entity of concern" regulations in the US are focused on battery supply chain components produced in covered nations (being the People's Republic of China, Russia, Iran, and North Korea). They are not likely to have a direct impact on New Zealand's renewable energy sector.

16. How has deployment of renewables been impacted in the last year by geopolitical uncertainties and other non-country specific factors: For example, the conflict in the Middle East, financing costs, changing tariff regimes, supply chain or taxes or subsidies (e.g. the impact of the One, Big, Beautiful Bill on the tax credits and other incentives created by the Inflation Reduction Act in the U.S.)?

New Zealand developers typically source key project components from overseas and developers are, therefore, exposed to many of the same cost pressures faced by developers in other countries. Inflation and supply chain issues in recent years have had an impact on construction costs in New Zealand and geopolitical uncertainties always have the potential to add to such pressures.

Many other countries in the Asia-Pacific region are supporting a significant build out of renewable energy projects, which is relevant to New Zealand developers in terms of potential supply chain constraints and the availability of key project components. We understand that transformers in particular have a long lead time for import into New Zealand.

17. Could you provide a brief overview of the major projects that are currently happening in your jurisdiction?

There are a number of large consented renewable energy projects that are under development or construction in New Zealand.

As relevant to the grid infrastructure required to support new projects, Transpower is progressing its Net-Zero Grid Pathways programme, a multi-year capex programme set to enhance the capacity of the grid and the High Voltage Direct Current ("HVDC") link between the North Island and South Island. In April 2026, the Commerce Commission granted draft approval for Transpower's $1.1 billion Stage 1 investment to upgrade the HVDC link, including replacing existing submarine cables, adding additional capacity, and upgrading related infrastructure. Transpower intends to seek further approval in 2027 for control system upgrades.

In the solar sector, several large-scale projects are underway. By way of example, Harmony Energy and Clarus are nearing completion on the Tauhei solar farm in Te Aroha, which is scheduled to be commissioned in late 2026 with a capacity of 202 MWp. Construction has also commenced on the Te Rahui solar project, stated to be New Zealand's largest approved solar farm. This is a joint project between Nova Energy and Meridian Energy with an expected capacity (including stage 2) of 400 MW. Genesis has also commenced the construction of its 136 MWp Edgecumbe solar project, with first generation expected in mid-2027.

In the onshore wind sector, large projects under development include Meridian's Te Rere Hau wind farm repowering project, which has an expected generation capacity of up to 170 MW, and Contact Energy's Southland Wind Farm, which has an expected capacity of up to 380 MW (fast-track approval for which was granted in April 2026).

Hiringa Energy's Kapuni Green Hydrogen Project recently began construction in South Taranaki. This project will involve building four new 6.4 MW wind turbines to power a water electrolyser, which is expected to produce approximately two tonnes of green hydrogen per day, and be the largest green hydrogen production facility in New

Zealand.

18. How are the business models in the renewable energy sector in your jurisdiction adapting to the increasingly significant pace of deployment of BESS? What percentage of deals are standalone, co-located or hybrid? How is the implementation of these business models impacting financing structures?

As New Zealand shifts towards more solar and wind in its generation mix, Battery Energy Storage Systems ("BESS") are expected to play a growing role. According to the Electricity Authority, around 80% of new generation capacity over the next five years (from November 2025) is forecast to come from intermittent sources such as wind and solar, increasing the need for storage solutions to manage peak demand.

The Electricity Authority released its two-year BESS roadmap in November 2025, setting out a regulatory framework to support BESS deployment. A key recent change relates to transmission pricing. Previously, BESS operators faced disproportionately high connection charges because the methodology set pricing based on both energy withdrawn and injected. However, from 1 April 2026, charges for shared connection assets are based on the greater of maximum demand or maximum injection, resulting in fairer cost allocation for BESS operators.

In terms of deal composition, no utility-scale BESS is yet (as of June 2026) operating as part of a co-located hybrid facility in New Zealand, though a number of such configurations are at various stages of development. The Ruakākā Energy Park, for example, currently operates a standalone 100 MW / 200 MWh BESS, with a co-located 130 MW solar farm under construction and expected to start generating in late 2026. In addition, some other examples of BESS projects underway include:

- Genesis Energy's Huntly BESS (100 MW / 200 MWh), with Stage 1 under construction and Stage 2 reaching Final Investment Decision in April 2026; and
- Contact Energy's Glenbrook-Ohurua battery (100 MW / 200 MWh), which became operational in May 2026, with a further 200 MW / 400 MWh expansion (Glenbrook battery 2.0) now under construction.

In terms of financing structures, to date, standalone BESS projects have typically been funded on balance sheet by generator-retailers; however, as hybrid configurations mature, project finance structures may become more common.

19. What is required in your jurisdiction to facilitate confidence in new development and financing in newer areas like offshore wind or hydrogen?

New Zealand has one of the best wind resources in the world and certain developers are exploring the potential for offshore wind. The Offshore Renewable Energy Bill, once enacted, will provide a legal framework for the development of offshore wind in New Zealand. A key feature of this regime is the introduction of feasibility permits, which grant developers exclusive rights to undertake feasibility studies in specific areas, and serve as a prerequisite to obtaining a commercial permit for construction and operation.

The development of any offshore wind project in New Zealand would likely require significant investment in supply chains, port infrastructure and transmission. Addressing any constraints in these areas will be important to support investor confidence. In addition, as the Government does not intend to provide contracts for difference or other power price hedging arrangements to support offshore wind, the availability of large offtake arrangements will be critical to the ability of developers to raise the significant capital required for such projects. Nonetheless, the Government is supportive of developing an offshore wind industry in New Zealand, including in the Taranaki region, where the offshore oil and gas sector had previously been a significant focus.

New Zealand also appears well placed for green hydrogen projects, due to its strong availability of renewable energy resources. The Government has reaffirmed its commitment to hydrogen development through the MBIE Hydrogen Action plan. The development of a domestic market would help to facilitate confidence, noting that green hydrogen currently has limited use in New Zealand (primarily in transport applications, as hybrid hydrogen-diesel powered freight), however there is also the potential for export opportunities for future New Zealand projects as international green hydrogen markets develop.

The availability of financing for projects in areas like offshore wind and hydrogen in New Zealand will ultimately depend on the fundamentals of the particular project in question. Whether the project's offtake or export arrangements provide sufficient revenue on satisfactory terms to support the project will be a critical

enquiry of any financing provider.

20. How are renewables projects commonly financed in your jurisdiction?

Renewables projects in New Zealand are financed through equity, debt or a combination of both. Historically, many renewable energy projects have been undertaken by the large generator companies in New Zealand and financed on their balance sheets. Project debt financing is however becoming increasingly common, mainly as a result of certain independent developers having entered the market (whether alone or in joint ventures with existing generators).

Many developers seek to secure a PPA before the start of construction, in order to facilitate project debt financing and/or to satisfy the risk/return profile of their equity investor(s). Some developers are however seeking to take forward projects on a merchant basis (including with a certain level of gearing being raised) and may have a strategy to secure one or more PPAs closer to the start of operations.

21. How is the rising demand for data centres impacting the grid and electricity prices for consumers?

New Zealand's high levels of renewable energy generation (and resource for new renewable energy generation) make it an attractive location for global technology companies seeking to build or access data centres whilst minimising the resulting carbon emissions. Many forecasts of electricity demand in New Zealand reference new data centre builds as potentially contributing significantly to future demand growth.

Data centres require a constant and high volume of electricity, reflecting their 24/7 operating environment. Any such new load on the system will (all things being equal) increase the overall requirement for firmed generation in New Zealand and may have impacts on transmission requirements.

That said, such expected increases in load feed into the forecasts utilised by developers of new generation and by Transpower, as the owner and operator of the national grid, to assess future demand and the business case for new projects designed to meet that demand. Accordingly, the rising demand for data centres potentially provides a demand signal to support new investment in New Zealand's generation capacity and grid infrastructure, including in projects that will improve system resilience over the long term.

Contributors

Michael Loan
Partner
michael.loan@russellmcveagh.com

Daniel Minhinnick
Partner
daniel.minhinnick@russellmcveagh.com

Mei Fern Johnson
Partner
meifern.johnson@russellmcveagh.com