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Renewable Energy 2026

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New Zealand: Law and Practice & Trends and Developments

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Russell McVeagh



NEW ZEALAND



Law and Practice

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Russell McVeagh employs more than 350 staff and partners across its Auckland, Wellington and Te Waipounamu South Island offices, recently expanding with the opening of its Queenstown office in April 2025. The firm's renewable energy team is a market leader in New Zealand and has represented local and international clients on some of the most high-profile renewable energy transactions. The team has significant experience in advising on all aspects of renewable energy, including on the equity and debt financing, property, consenting and construction aspects of renewable energy projects and advising on the acquisition and sale of projects and project platforms. Russell McVeagh has a deep understanding of the key drivers and issues faced by project sponsors and deploys experts across its full-service practice to manage any issues that arise over the life cycle of a renewable energy project.

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1. Overview

1.1 Energy Transition

Current Energy Mix

The current share of renewable energy in New Zealand's energy mix is higher than in most OECD countries. In 2024, approximately 45.5% of primary energy supply and 30% of final energy consumption came from renewable sources, according to the Ministry of Business, Innovation and Employment (MBIE).

The share of renewable energy in electricity generation is significantly higher than this. In 2025, renewable energy accounted for approximately 88% of the electricity generated in New Zealand.

This high proportion of renewable energy generation is, in large part, representative of the favourable geography of New Zealand, which includes consistent rainfall and wind and access to geothermal resources.

The Energy Transition Ahead

Against this backdrop, the focus of New Zealand's energy transition in the coming years is likely to involve the following:

- increases in renewable energy generation (and an associated need for investment in transmission and distribution infrastructure) driven primarily by future expected increases in demand for electricity;
- the need to ensure that the electricity system can support increasing levels of intermittent generation;
- mitigating the exposure of New Zealand's electricity system to "dry year risk" (being the risk that overall generation capacity falls as a result of extended periods of low inflows into New Zealand's hydro lakes); and
- the need to transform New Zealand's broader economy to the use of cleaner sources of energy and to a lower emissions economy, particularly in industrial processes, transport and the agricultural sector.

New Zealand's Net Zero Target

New Zealand set a domestic "Net Zero by 2050" target under the Climate Change Response Act 2002 (CCRA) for all greenhouse gases other than biogenic methane. Under the CCRA, the government is required to prepare five-yearly emissions budgets and produce emissions reduction plans that set out the proposed policies for meeting each emissions budget.

Any sector-specific emissions reduction targets are decided by the government of the day as a matter of policy. In relation to renewable energy, the current government has committed to doubling generation from renewable energy sources by 2050.

Oil and Gas

The role of oil and gas in New Zealand's energy future is a matter of debate across the political spectrum. The current government reversed the previous government's ban on new oil and gas exploration. The cited reasons for the reversal included the need to

address energy security challenges and regional economic development opportunities.

1.2 Renewable Energy Technologies

The vast majority of electricity in New Zealand is generated from renewable sources (88% in 2025). See **3.1 Electricity** for a breakdown of generation between different renewable energy sources.

Hydroelectric and geothermal generation are hugely important to New Zealand's current generation capacity. Looking ahead, as electricity is increasingly used in place of fossil fuels and electricity demand increases generally, MBIE predicts that significant new generation capacity will be required. New wind and solar projects are expected to play a material role in helping to meet this increase in demand.

In addition, activity in battery energy storage systems (BESS) and green hydrogen projects is also expected to increase. See **1.3 Renewable Energy Market and Recent Developments** and **4.1 Electricity** for further information.

1.3 Renewable Energy Market and Recent Developments

Tiwai Point and Demand Response

In 2024, long-term agreements were signed to supply 572 MW of renewable energy to the Tiwai Point Aluminium Smelter (Tiwai Point), New Zealand's sole aluminium smelter. Tiwai Point, which is owned by New Zealand Aluminium Smelter (NZAS), is the largest user of New Zealand's electricity, accounting for approximately 12% of the national annual electricity consumption on average over the past decade.

For some time prior to this, there had been material uncertainty as to whether NZAS might ultimately carry through with past threats to close Tiwai Point. The signing of the 20-year agreements with NZAS brought comfort to renewable energy developers regarding the continued existence of a large proportion of New Zealand's total load. Meridian Energy Limited (Meridian), Mercury Energy Limited (Mercury) and Contact Energy Limited (Contact) were the providers of the new agreements.

In conjunction with these long-term agreements, Meridian and Contact also entered into demand response agreements with NZAS, under which NZAS may be called upon to reduce electricity consumption up to an agreed limit.

The risk of electricity shortages in New Zealand increases during long periods of low rainfall, given the resulting impact that this has on lake inflows for New Zealand's hydroelectric dams. Large demand response agreements such as these can help to alleviate the level of stress on the system, and/or reduce the quantity of coal reserves that may need to be burned, during such times.

Development of BESS Projects

There has been a significant recent increase in the development of grid-scale BESS in New Zealand over the past 12 months. Some recent project developments include the following.

- The 100 MW Glenbrook BESS, developed by Contact, started trading on 1 April 2026.
- In May 2025, Meridian finished constructing its 100 MW Ruakākā BESS.
- Genesis Energy is well progressed with construction of a first stage 100 MW BESS at the Huntly Power Station, which is expected to be commercially operational by early 2027. Genesis has also reached Final Investment Decision on a second stage 100 MW expansion (increasing the total installed capacity to 200 MW), which is expected to commence construction in 2027 and be operational by late 2028.

Corporate PPAs

New Zealand does not have any subsidy, tax deduction or contract for difference regimes for renewable energy projects. Accordingly, the sourcing of a power purchase agreement (PPA) for power offtake is a critical workstream for many developers. Corporate PPAs are becoming more common in New Zealand, as to which see **5.5 Renewable Energy Certificates and (Corporate) Power Purchase Agreements**.

Interest From International Capital

New Zealand is seeing increased interest from global infrastructure investors in the build-out and owner-

ship of renewable energy projects. In particular, as independent developers progress their pipelines, opportunities are arising for investors to participate in capital raises and M&A transactions in this sector. International investors and developers are also looking to form strong partnerships with relevant local participants. By way of example, in August 2025, Mint Renewables and Ngāi Tahu Holdings (the investment arm of the Ngāi Tahu iwi (Māori tribe)) announced a partnership to invest NZD100 million in large-scale wind and solar projects across the South Island.

Data Centres

There has been a significant recent interest in the development of large-scale data centres in New Zealand. Such projects are expected to form an increasingly material part of overall demand for electricity in New Zealand and provide a demand signal and a potential source of offtake contracts for developers forecasting and planning for new renewable generation capacity.

2. Legal and Regulatory Regime

2.1 Governing Law and Upcoming Changes

Legal and Regulatory Framework

The principal laws and regulations governing the energy market in New Zealand are summarised in broad terms below.

- Electricity Industry Act 2010 (Electricity Industry Act) – this provides a governing framework for electricity sector industry participants, which includes retailers, generators and distributors, among others.
- Electricity Industry Participation Code 2010 (Code) – this sets out responsibilities for all industry participants and provides detailed rules that govern the physical interaction between transmission, distribution and generation and the operation of the wholesale electricity market (also known as the "spot market").
- Resource Management Act 1991 (RMA) – this establishes a regulatory framework that controls the use of land, air and water (within 12 nautical miles from the coast) in New Zealand. This includes the use and development of energy and renewable energy projects. The RMA is the primary legislation for the consenting of new renewable energy projects.
- Fast Track Approvals Act 2024 – this establishes a permanent regime to "fast track" consents for nationally and regionally significant projects, including renewable energy projects. It is intended to provide shorter consenting timeframes for major projects with limited appeal rights. A number of renewable electricity generation projects have been approved under the Fast-track Approvals Act 2024.
- National Policy Statement for Renewable Electricity Generation 2011 (NPS REG) – this sets out objectives and policies for renewable electricity generation under the RMA. Amendments to the NPS REG came into force in January 2026, providing more directive government support for renewable electricity generation in New Zealand, and decision-makers must give effect to it immediately when assessing resource consents and notices of requirement.
- National Policy Statement for Electricity Networks 2008 – this amends the National Policy Statement on Electricity Transmission 2008 and sets out objectives and policies for New Zealand's electricity transmission network under the RMA. The amendment took effect on 15 January 2026 as part of a broader nationwide push to support New Zealand's energy sector. The amendments expanded the scope of the statement to cover electricity distribution, strengthened policy direction to create a more certain consenting environment, and recognised the national significance of electricity networks.
- Offshore Renewable Energy Act 2026 (ORE Act) – this came into force in July 2026, establishing a dedicated permitting regime for offshore renewable energy (ORE) in New Zealand's exclusive economic zone (EEZ) and territorial sea. The ORE Act provides a regulatory pathway for the grant of feasibility permits (for site investigation and assessment) and commercial permits (for construction and operation of ORE generation infrastructure). It also includes a framework for managing competition between ORE and non-offshore renewable energy activities, allowing Ministers to jointly designate areas in the territorial sea or exclusive economic zone in which new seabed minerals permits cannot

be issued and existing permits cannot be extended. The environmental effects of ORE activities in the EEZ remain subject to the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act).
- Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act) – this manages the effects of activities in the exclusive economic zone (12 to 200 nautical miles from the coast of New Zealand) and in/on the continental shelf, including the use and development of renewable energy and other energy projects. While the permitting regime for renewable energy projects is now provided for under the ORE Act, the environmental effects of ORE activities in the EEZ remain subject to the EEZ Act.
- Crown Minerals Act 1991 – this relates to Crown-owned minerals (including oil and gas) that may (via permit) be prospected, explored and mined for within New Zealand. The legislation also provides decommissioning requirements (see **6.5 Decommissioning Requirements**).
- CCRA – this sets the overarching framework to drive emissions reduction in New Zealand. It establishes New Zealand's emission trading scheme (ETS) and requires the preparation of an Emission Reduction Plan.

Upcoming Legislative Changes

The government plans to replace the RMA with two new acts. The Natural Environment Act will focus on the use, protection, and enhancement of the natural environment. The Planning Act will focus on land-use planning to enable development and infrastructure. A dual-act approach is proposed to reduce overlap and to provide a clearer framework for managing environmental effects. Both Bills were introduced to parliament in December 2025 and are currently progressing through the legislative process. It is anticipated that both Bills will be passed into law before the November 2026 election. This new system intends for higher order planning documents, such as the NES-REG, to be more directive, and result in a more enabling and efficient consenting system, particularly for activities such as renewable energy generation.

2.2 Regulating Authorities

MBIE is New Zealand's primary government department overseeing and delivering regulation and policies for the energy sector (including renewables). The Ministry for the Environment (MfE) advises the government on environmental matters and related legislation such as the RMA.

Regulatory and quasi-regulatory agencies and authorities in the energy sector include the following.

- Regional and district councils – these councils make decisions on RMA consents and monitor such consents. Councils may issue infringement and abatement notices, take enforcement action and prosecute offences under the RMA.
- Environmental Protection Authority (EPA) – the EPA regulates a range of functions, including those under the RMA, the EEZ Act, the Fast-track Approvals Act 2024 and the Hazardous Substances and New Organisms Act 1996 (HSNO Act), and has powers to investigate, issue infringement notices and pursue court proceedings for non-compliance with the RMA.
- Electricity Authority – this is an independent Crown entity which oversees and regulates the electricity market. It investigates breaches of the Code and electricity regulations.
- Gas Industry Company Limited (Gas Industry Co) – an industrial body that works alongside industry and government to co-regulate gas, including "green gasses" such as hydrogen and biofuels.
- Energy Efficiency and Conservation Authority (EECA) – the authority seeks to improve energy efficiency and sustainability for New Zealand homes, vehicle fleets and businesses. The authority is focused on accelerating the uptake of renewable energy.
- Commerce Commission – the commission is responsible for regulating New Zealand's competition and consumer laws. It oversees Transpower New Zealand Limited (Transpower) (the owner of New Zealand's national grid (Grid)) and distribution companies, including overseeing investments, charges and revenue in each pricing year.

The regulatory enforcement powers of certain of the above authorities (not including the Gas Industry Co or the EECA) are outlined below.

- An authority may have powers to investigate breaches and potential breaches relating to the authority's respective legislation, regulations and rules.
- In some cases, there is a specific dispute resolution scheme, or the authority is able to refer to the court system to obtain, for example, interim injunctions to stop an industry body from breaching the relevant legislation, regulations and rules.
- In some circumstances, an authority may have the discretion to make remedial orders for breaches of the relevant industry code/guidelines, such as a private or public warning, or an order to pay compensation or a pecuniary penalty.

2.3 Regulated Activities

Resource Consenting

The use and development of physical and natural resources in New Zealand is regulated under the RMA. Territorial, regional and district authorities implement regional and district plans which operate as "rulebooks" for land use, including for energy and renewable energy activities (eg, solar farms or wind farms). Generally, resource consent is required for renewable energy projects in New Zealand.

Land use consents for solar and wind farm projects are generally granted for indefinite periods. On the other hand, renewable energy projects using hydro, geothermal or marine resources have a statutory starting point of a 35-year consent duration, unless there is good reason to depart from it and approve a shorter period. Consent renewal is required for the continuation of operations beyond consent expiry.

Other Approvals and Registrations

In addition to the RMA, renewable energy projects may require approvals or registration under other legislation, such as:

- the owner of the project and other relevant participants may need to be registered as industry participants with the Electricity Authority;
- building consents under the Building Act 2004 for the construction of structures (such as wind turbines);
- approvals under the Overseas Investment Act 2005 (OIA) to allow overseas companies to purchase or lease sensitive land or to acquire or establish a business over a certain threshold (see **2.5 Market Access and Foreign Investment**);
- authorities under the Heritage New Zealand Pouhere Taonga Act 2014 to allow pre-1900 features to be modified or destroyed;
- feasibility and commercial permits under the Offshore Renewable Energy Act, granting rights to undertake, respectively, site investigation and assessment, and construction and operation of offshore renewable energy generation infrastructure; and
- marine consent under the EEZ Act if an activity is to occur in the EEZ – marine consents may be granted for up to 35 years.

Hydrogen is an approved hazardous substance with controls enforced by the EPA and regulated under the HSNO Act and the Health and Safety at Work Act 2015. Similarly, most biogases, such as methane, are categorised as approved hazardous substances that are also subject to controls as enforced by the EPA.

2.4 Ownership and Transfer of Control

Onshore Renewable Energy Assets

There are no specific restrictions on the types of persons that may own onshore renewable energy assets in New Zealand, although certain restrictions and/or requirements may be triggered on the transfer of ownership interests in such assets. In particular the following.

- OIO Consent – where an "overseas person" (as defined under the OIA) develops a new renewable energy project or acquires an ownership interest in an existing renewable energy project, a requirement for consent from the Overseas Investment Office (OIO) may be triggered depending on the nature of the project and the investment (see **2.5 Market Access and Foreign Investment**).
- Code Requirements – an electricity generator (other than an owner of small-scale distributed

generation) is required to register as an industry participant with the Electricity Authority.
- RMA – the mechanism for transfer of resource consents varies depending on the type of (and terms of) the resource consent (and purchasers will need to review the scope of applicable resource consents to understand any restrictions on use or transfer), for example:
  (a) land use and subdivision consents will generally run with the land and remain in place following a transfer of the land (except if the conditions of the consent specifically provide otherwise, such as restricting a consent to the original applicant only – which is sometimes the case for wind farms);
  (b) other consents (ie, regional resource consents such as discharge permits) may be granted for a term and may only be relied on by a specific person, unless transferred under the RMA; and
  (c) typically, resource consents do not regulate changes of control in respect of the entity which holds the consent.
- Other Consents – certain consents may be required in connection with the transfer of ownership interests under the terms of relevant project contracts, including under the connection arrangements with Transpower or a relevant lines company.

Offshore Renewable Energy Assets

The Offshore Renewable Energy Act includes restrictions on the transfer of permits. A permit holder and the proposed transferee must jointly apply to the Minister for approval of any transfer. Recognising that permit holders will, in many cases, be established as special-purpose project vehicles, the Offshore Renewable Energy Act also requires Ministerial approval for changes in the persons that have "significant influence" over the permit holder. In summary, a person has significant influence over a permit holder if the person controls more than 25% of the governing body of, or voting rights in, the permit holder. This means that changes of control at the project vehicle level, not only direct permit transfers, are subject to Ministerial oversight.

A purchaser of offshore renewable energy generation infrastructure would also need to address the transfer of any marine consents subject to the EEZ Act.

2.5 Market Access and Foreign Investment

OIO Consent Requirement

Investment in the renewable energy market in New Zealand by foreign investors may trigger a requirement for consent under the OIA. The OIA sets out New Zealand's regulatory regime for investment by "overseas persons" in "sensitive land" and/or "significant business assets", and which investments must be approved by the OIO.

A foreign investor will be an "overseas person" under the OIA if they are a person or an entity that is domiciled, or owned by a person or an entity domiciled, outside New Zealand. New Zealand-registered entities are also classified as overseas persons where more than 25% of their ownership or control interests are held by overseas persons.

Renewable energy transactions that involve the following factors (in broad terms) are likely to trigger the requirement for OIO consent:

- "significant business assets" – if the foreign investment exceeds NZD100 million in the manner outlined in the OIA (or the applicable higher threshold that applies to Australian non-government investors, and other non-government investors under certain free trade agreements); and
- "sensitive land" – if the renewable energy transaction involves ownership of, or long-term land rights to, sensitive land that are qualifying interests under the OIA ("sensitive land" includes non-urban land (eg, farmland) with an area greater than five hectares, and land that contains or adjoins national parks, foreshore, seabed, lakebed or conservation land).

OIO Consent Pathways

The Overseas Investment (National Interest Test and Other Matters) Amendment Act 2025 came into force on 6 March 2026. These reforms represent the most significant overhaul of New Zealand's overseas investment regime in over 20 years and form part of the government's broader strategy to promote overseas investment in New Zealand by making it easier to invest, while ensuring New Zealand's national interests are protected where appropriate.

The reforms introduced a new consolidated national interest test as the primary consent pathway for all transactions involving "significant business assets" and "sensitive land" (other than farm land, residential land and fishing quota). The starting assumption under the new pathway is that investment can proceed unless a national interest risk is identified.

As is relevant to many renewable energy projects, for an overseas investment in sensitive land that constitutes farmland, the previous "investor test" continues to apply (unless the transaction is automatically a "transaction of national interest", in which case the national interest test applies). The investor must also satisfy the "farmland benefit" test, requiring the investment to result in a "substantial" benefit to New Zealand across one or more of the seven benefit factors identified in the OIA (with particular relative importance given to the economic benefit factor and the oversight or participation by New Zealanders benefit factor). The investor must submit an investment plan with its OIO application, describing the current state and use of the land, its plans over a three-to-five-year horizon and the net benefits expected to arise. Farmland must also be advertised on the open market before the overseas person enters into the transaction or arrangement (including binding heads of agreement), subject to limited exemptions.

Transactions of National Interest

A transaction will automatically be deemed a "transaction of national interest" (requiring a full national interest assessment) where the transaction relates to land or assets used in a "strategically important business" or will result in one or more "non-New Zealand government investors" from a single country acquiring a more than 25% direct or indirect ownership or control interest in the target business or assets.

A "strategically important business" includes a business involved in electricity generation, distribution, metering or aggregation if it is a generator with a total capacity exceeding 250 MW or providing electricity lines services.

National Security and Public Order Call-In Regime

The OIA also contains a separate national security and public order (NSPO) call-in regime, which applies to investments that do not otherwise require consent and that involve the acquisition of interests in "strategically important business" assets and infrastructure. Notification to the Minister of Finance (via the OIO) is mandatory for certain categories of strategically important business, and discretionary for other categories.

However, the Minister of Finance can call in and review any investment that the Minister considers may pose risks to New Zealand's national interest, and may block, impose conditions on, or unwind the transaction if the Minister determines it gives rise to a significant risk to national security or public order.

3. Production/Generation

3.1 Electricity

Renewable Energy Generation

Generation from renewable energy in New Zealand is concentrated in the following sources.

- Hydroelectric schemes generate the highest proportion of electricity in New Zealand, accounting for approximately 54.6% of total generation in 2025.
  - (a) Manapōuri hydropower station, owned and operated by Meridian, is New Zealand's largest hydropower station with a total installed capacity of 850 MW (although generation is limited to 800 MW by resource consents).
  - (b) Other hydropower stations include Benmore Dam Hydro Station (also owned and operated by Meridian) with an installed capacity of 552 MW, the Clyde Dam (owned and operated by Contact) with an installed capacity of 432 MW, Roxburgh Power Station (owned and operated by Contact) with an installed capacity of 320 MW and Maraetai Power Station (owned and operated by Mercury) with an installed capacity of 360MW.
- Geothermal energy is New Zealand's second largest source of electricity, accounting for approximately 21.7% of total generation in 2025.
- Onshore wind accounted for approximately 8.6% of total generation in 2025.
- Solar accounted for approximately 2.2% of total generation in 2025.

Renewable Energy Generators

The generation of electricity from renewable sources in New Zealand involves the following generators:

- three "mixed ownership model" companies (each 51% owned by the government), being Meridian, Genesis Energy Limited and Mercury;
- a large privately owned and widely held company, Contact, and its recently acquired subsidiary, Manawa Energy Limited; and
- various other smaller generators.

Regulation

Electricity generation in New Zealand is regulated primarily by the Electricity Industry Act and the Code. See **5.1 Electricity** and **5.5 Renewable Energy Certificates and (Corporate) Power Purchase Agreements** for information in relation to New Zealand's electricity wholesale market, electricity futures market and private PPA market.

3.2 Gas

Renewable Gas

New Zealand's current production of gas from renewable sources is at an early stage and is concentrated into four main sources.

- Landfill gas capture systems are required to be used by large landfills to mitigate effects under the RMA. Production is then typically used to generate electricity that is either utilised on-site or injected into a relevant local distribution network (Local Network).
- Anaerobic wastewater treatment of industrial wastewater is used by some industrial facilities, such as meat and milk processing plants. Fonterra Co-Operative Group Limited operates one of the largest anaerobic digesters in the southern hemisphere at its Tīrau plant, generating biogas to offset natural gas consumption in the processing of milk.
- There are more than 320 wastewater treatment plants in New Zealand. Typically, the biogas produced is used to generate electricity which is then utilised to offset the plant's electricity demand.
- In 2022, Ecogas began operating New Zealand's first biogas plant for large-scale organic waste, and has since completed a biogas upgrade facility (see **5.2 Gas**).

Regulatory Regime

Gas Industry Co jointly develops, with the Government, the regulations and rules governing the gas market in New Zealand. In the Gas Transition Plan Issues Paper from August 2023, the Gas Industry Co reported it was considering work to develop a regulatory framework and monitoring regime for renewable gas certification providers.

3.3 Heat

Geothermal

New Zealand has significant geothermal resources, which are predominantly utilised for electricity generation. These serve as a dependable renewable baseload in New Zealand, accounting for 21.7% of the country's total electricity generation in 2025.

Hot water and steam from geothermal sources (including as a by-product of electricity generation) is to some extent used as process heat directly for industrial processes. The Kawerau Industrial Complex in the Bay of Plenty has industrial users located nearby to geothermal resources to make use of geoheat.

Geothermal resources are managed by the environmental consenting regime under the RMA. The RMA requires that no person can take, use, dam or divert water (including geothermal water) or heat or energy from geothermal water unless expressly allowed by a resource consent or a national, regional or district planning document. There are no current express allowances under any national planning documents, although some limited exceptions may apply under regional or district planning documents for small offtakes.

In March 2026, the government released a new national Geothermal Strategy to support the future development of geothermal energy. The Geothermal Strategy sets an ambitious target of doubling geothermal generation by 2040. The five key action plan goals are to:

- improve access to data and funding;

- ensure regulatory and system settings are fit for purpose;
- advance knowledge and uptake of geothermal technologies and geoheat opportunities;
- enable place-based geothermal clusters; and
- drive science, research and innovation including next generation technologies.

Heat From Other Renewable Sources

New Zealand does not have large-scale district heating schemes within its urban areas. Some small-scale district heating schemes are operated, including in Christchurch. The Washdyke Energy Centre, which supplies steam to local industry in Timaru, transitioned to 100% sustainable biomass in April 2023. The Dunedin Energy Centre was also converted to run on biomass in 2023.

3.4 Hydrogen and Other Biofuels and Renewables

Green Hydrogen

New Zealand does not have a well-established industry for the production of green hydrogen. Nevertheless, considering the availability of renewable energy, New Zealand is well-placed for such an industry should markets for green hydrogen and ammonia offtake develop.

The government is actively working to improve the regulatory framework for green hydrogen. MBIE released the Hydrogen Action Plan in November 2024, which creates a strategy for unlocking private investment in the hydrogen sector. The Action Plan identifies establishing an enabling regulatory environment (including the reduction of consenting barriers) as critical to supporting hydrogen development.

Hiringa Energy Ltd (Hiringa) is a key player in green hydrogen in New Zealand. Hiringa is in the process of constructing green hydrogen production and refuelling infrastructure across New Zealand for hydrogen-powered trucks.

Biofuels

New Zealand's biofuels industry is small. There are, however, a number of key players across different industries that are looking to use biofuels to decarbonise their operations, with a particular focus on biofuel production using residue from existing forestry and wood processing. In late 2024, Air New Zealand purchased its largest order of sustainable aviation fuel, securing more than 30 million litres.

3.5 Local and Domestic Production

Small-scale generation of renewable energy for own or domestic use in New Zealand is regulated on a district-by-district basis through district plans. Any restrictions will often depend on the size of the structure and the zoning of the land where it is located.

As a rule of thumb, small-scale, behind-the-meter solar or wind generation can be undertaken without resource consents. However, the need for a resource consent can depend on factors such as the size and mounting specifications for solar or the type of turbine for wind.

In September 2025, the government introduced changes to the Building Act 2004 that removed the requirement, in most circumstances, for building consent when installing rooftop solar panels on existing homes and commercial buildings. The Building Amendment Bill, also proposes that building consents for new homes with solar panels must be processed by councils within ten working days, reduced from the previous 20-day standard.

Additional compliance requirements need to be met should a small-scale energy producer connect to the grid or a local network to sell power.

4. Infrastructure: Transportation and Storage

4.1 Electricity

Transportation

In New Zealand, electricity is transmitted via the grid and distributed to end users via local networks.

The grid is managed by system operator and state-owned enterprise, Transpower. Transpower is required to operate and maintain the grid and oversee the transmission of electricity across New Zealand, ensuring that electricity transmission is safe, reliable and cost-effective.

The local networks in New Zealand are owned and managed by 29 electricity distribution businesses (EDBs).

Transpower charges the EDBs (and other users of the grid) a fee to use the grid. This fee is typically passed on from the EDBs to the retailers, together with distribution pricing that the EDBs themselves charge in respect of their own networks. Retailers pass these costs onto the end users via the electricity price they charge.

The Commerce Commission regulates the maximum revenue that Transpower and the EDBs (other than EDBs that are consumer-owned) may earn over a set period (typically five years).

The Electricity Authority regulates the way in which Transpower charges its customers and the reliability and service levels required to be maintained by Transpower. The Electricity Authority is responsible for ensuring that EDBs comply with the Code and publishes distribution pricing principles applicable to EDBs.

In an effort to establish more efficient connection pricing, the EA recently amended the Code, implementing four new mandatory Code-based requirements for EDBs: enhancement cost allocation, network capacity costing, a pioneer scheme, and connection charge reconciliation. These measures are designed to improve the transparency, consistency, and efficiency of connection pricing by requiring EDBs to apply standardised methodologies. The new rules apply to connection quotes received from 1 April 2026, except the enhancement cost allocation requirement, which applies to quotes received on or after 1 April 2027.

Storage

It is expected that BESS will become increasingly relevant as New Zealand moves closer to 100% renewable electricity generation. The Electricity Authority has been progressing work to improve current market settings to better facilitate the development of BESS. In particular, the Electricity Authority identified in a 2024 consultation paper that:

- the way in which BESS participates in the wholesale and instantaneous reserve markets is cumbersome, with the market system not being able to model a resource (such as BESS) that can transition from load to generation; and
- the revenue stream available to a BESS for ancillary services in New Zealand (alongside arbitrage opportunities) may be impacted by current market settings – this limits the ability of BESS to provide frequency-keeping ancillary services to periods where the BESS is discharging (ie, acting as a generator), despite the fact that a BESS may also be capable of providing such services whilst charging (ie, acting as load).

Following that consultation paper, the Electricity Authority released a finalised two-year BESS regulatory roadmap in November 2025, which outlined a comprehensive programme of work to support BESS investment and integration through to June 2027.

4.2 Intermittency, Grid Congestion and Flexibility

Security of Supply and Winter Peak Demand

Security of supply in New Zealand's electricity system is becoming increasingly important, given the continued transition to higher proportions of intermittent renewable generation sources.

During winter months, it can at times become challenging to co-ordinate generation resources to meet peak demand in New Zealand. Managing this issue is a focus area for the Electricity Authority, as set out in its November 2025 roadmap, which outlines initiatives to accelerate BESS investment and integration. Demand response agreements have also become an important tool to handle supply security issues during winter (see **4.1 Electricity**).

Transpower (as system operator) is responsible for managing New Zealand's security of supply; this includes the provision of information to the market (such as supply forecasting), as well as managing supply emergencies. If Transpower considers that the electricity market will be unable to meet demand, it has various powers it is able to invoke, including to require that contingent hydro storage be utilised as a fuel of last resort or to make a "supply shortage declaration" (as specified in

the Code). When this declaration is made, Transpower may require specified participants (eg, EDBs) to reduce electricity consumption by implementing outages or taking any other action specified.

Transpower can also issue different notices to encourage voluntary curtailment where it foresees a potential supply emergency (eg, for potential shortfalls, low residuals, forecast deficits, or real-time deficits).

Grid Congestion

The Grid is operated on open access principles, which allows developers to request to build and connect at any location on a "first ready, first served" basis and means that Transpower may connect subsequent generation in the same area (provided that Transpower's ability to operate the power system is not compromised). Developers of new projects are required to consider the risk of other nearby projects coming online, and the impact on congestion on relevant transmission infrastructure.

Managing Intermittent Supply

The Electricity Authority released a consultation paper in 2024 on the future operation of New Zealand's power system, which considered potential solutions for managing intermittent supply and electricity capacity issues. Proposed solutions included:

- short-term solution (less than two years) – improve the co-ordination of existing generation resources and ensure that New Zealand is prepared for emerging technologies;
- medium-term solution (two to four years) – wider adoption of BESS and participation in ancillary markets by generators and the industry; and
- long-term solution (more than five years) – significant new generation and storage options.

In June 2026, the EA published a draft cross-agency roadmap for the future of distribution system operation in New Zealand, acknowledging that the power system is becoming more complex and decentralised as new generation connecting to the system is now predominately variable and intermittent. The roadmap sets out various workstreams through to 2030 to facilitate the development of one or more distribution system operators in New Zealand.

4.3 Gas

New Zealand's bulk natural gas transmission network is privately owned by First Gas Limited (First Gas) and includes over 2,500 km of high-pressure gas pipelines. First Gas, Powerco Limited and others also own gas distribution networks that deliver gas to residential, commercial, and industrial end users in the North Island. As discussed in section **5.2 Gas**, renewable gas (biomethane) is now being injected into the public gas grid and transported through the distribution network.

4.4 Heat

As noted in **3.3 Heat**, there are no large-scale district heating or heat grids operated in New Zealand. Small-scale district heating regimes are typically privately owned, with customers being supplied steam and other services under individual supply contracts.

4.5 Hydrogen and Other Biofuels and Renewables

Green Hydrogen

New Zealand does not have a meaningful transportation network for green hydrogen.

MBIE's Interim Hydrogen Roadmap outlined several options for the future transportation and storage of hydrogen. In relation to transportation:

- MBIE noted that hydrogen may be able to be transported through the existing gas pipelines, although this would require the network to be repurposed and modified. On the whole, this option was expected to be the lowest-cost method of transmission. However, given biomethane (as an alternative to hydrogen) is expected to be more cost-effective in the medium term, MBIE did not consider that there would be a role for hydrogen in the reticulated network until at least the mid-2030s.
- Another option would be to blend hydrogen with fossil gas. However, to use this method within the existing network, a maximum concentration of approximately 20% hydrogen could be used.

Key players in the hydrogen-fuelled vehicle sector include Hiringa (see **3.4 Hydrogen and Other Biofuels and Renewables**) and H.W Richardson (HWR). HWR is New Zealand's largest privately owned transport

business and is invested in dual-fuel hydrogen technology, with a particular focus on dual-fuel truck fleets and a hydrogen refuelling network. Fabrum Solutions Limited is also well respected as a leader in liquid hydrogen liquefaction storage and fuel tanks in small to medium volumes.

As mentioned in **3.4 Hydrogen and Other Biofuels and Renewables**, the regulatory framework for green hydrogen is being developed, however, in the meantime, the current regime for renewable energy generation will be relevant (see **2.1 Governing Law and Upcoming Changes**) and the HSNO will apply (see **2.3 Regulated Activities**).

Biofuels

Generally, the transportation or storage of any biofuel classed as a hazardous substance, such as bioethanol or bio/mineral diesel blends, is subject to controls and requirements that are regulated under the HSNO Act and the Health and Safety at Work (Hazardous Substances) Regulations 2017.

5. Trade and Supply

5.1 Electricity

Wholesale and Retail Markets

The trade of electricity (including renewable electricity) between generators and retailers in New Zealand occurs via the wholesale market. In order to participate in the wholesale market, generators must make offers to the system operator (being Transpower) to supply a certain amount of electricity, at a particular pricing node, at a proposed price in auctions run at 30-minute intervals in the future. Transpower will select the lowest-cost offers that can satisfy demand whilst ensuring reliability of supply, taking into account a range of factors (including distance between the location of the generator and the electricity demand). All generators that are dispatched receive the same clearing price.

Electricity retailers purchase electricity at wholesale prices and supply their customers with the electricity they need. The cost that retailers charge their customers for electricity typically includes the costs of transmission and distribution.

Electricity Futures Market

Market participants are able to hedge their financial risk of electricity price movements (over up to the next three calendar years) via the electricity futures market, operated by the Australian Securities Exchange. This market allows participants to enter into electricity futures contracts against the Ōtāhuhu Grid reference node and the Benmore Grid reference node on a cash-settled basis.

PPAs

Subsidies or contracts for difference are not available to generators in New Zealand to support the development of new renewable energy projects. Accordingly, if developers require long-term pricing certainty for all or any part of the electricity to be produced by a proposed project, they must independently procure and negotiate a satisfactory offtake contract themselves (see **5.5 Renewable Energy Certificates and (Corporate) Power Purchase Agreements**).

5.2 Gas

New Zealand does not have a significant market for the trade of renewable gas. However, the renewable gas market in New Zealand is seeing notable early developments.

The First Renewables biogas upgrade facility, drawing feedstock from the Ecogas organics processing site in Reporoa, is now in operation. This facility is expected to supply enough biomethane to power up to 7,200 homes. This milestone marks the first time biogas has been distributed commercially through New Zealand's gas network. Additionally, in October 2025, Ecogas started work on a new organics processing facility in Christchurch. Once operational, the facility is expected to process up to 100,000 tonnes of organic waste each year into renewable energy including electricity, heat and biogas.

5.3 Heat

The domestic market for the supply of heat from renewable sources is largely limited to individual supply contracts between generators and consumers, such as the Pita Te Hori District Energy Scheme or the Dunedin District Energy Centre.

5.4 Hydrogen and Other Biofuels and Renewables

Hydrogen

As mentioned in **3.4 Hydrogen and Other Biofuels and Renewables**, Hiringa is in the process of developing a green hydrogen refuelling network across New Zealand, which will allow heavy-duty transport vehicles to use green hydrogen instead of fossil fuels.

HWR introduced the first hydrogen-diesel dual-fuel truck in the Southern Hemisphere and is trialling dual-fuel trucks in its fleet. In respect of its refuelling network, HWR is utilising Allied Petroleum's fuel stop network to distribute hydrogen as an alternative fuel by adding this capability to existing and new sites.

Biofuels

There is not a significant domestic market for the trade of biofuels in New Zealand.

5.5 Renewable Energy Certificates and (Corporate) Power Purchase Agreements

RECS

New Zealand does not have a mandatory or regulated market for renewable energy certificates (RECs). BraveTrace and Energy Market Services (owned by Transpower) are providers of RECs in New Zealand. BraveTrace administers the New Zealand Energy Certificate System upon which a form of RECs (referred to as NZ-ECs) can be acquired. Energy Market Services issues International Renewable Energy Certificates (referred to as I-RECs) in New Zealand, which are governed by the International Renewable Energy Certificate Foundation.

Corporate PPAs

Developers of renewable energy projects are increasingly seeking to source corporate PPAs as a means of reducing merchant power price risk and with a view to raising project debt. This is particularly the case for independent developers who, unlike New Zealand's gentailer-developers, do not have their own retail and wholesale customers to service.

Corporate PPAs are typically structured either as:

- a physical ("sleeved") PPA, which involves a retailer (in substance) purchasing the electricity produced from the seller and passing on the benefits of that trade to the corporate buyer (typically with a firming solution attached); or
- a virtual PPA (structured as a contract for difference), under which the buyer and seller make payments to one another depending on whether the agreed price is above or below the referenced market price.

The key benefit of a PPA for a renewable energy generator is the revenue certainty it provides and the resulting de-risking of the investment case and ability to raise (or maximise the level of) project financing debt.

The key benefits of a PPA for a corporate buyer are as follows.

- Price Benefit and Certainty – the corporate buyer can fix its electricity costs for the volume it purchases under the PPA, typically at a discount to expected market pricing.
- Access to RECs – the corporate buyer typically receives the RECs associated with the purchased volume, which can then be used to validate claimed reductions in energy-related emissions.

6. Renewable Energy Projects

6.1 Onshore Project Development

In recent years, the development of onshore renewable energy projects in New Zealand has predominantly been in wind, solar and geothermal. Development activity in BESS is also increasing, and several solar developers are pursuing projects in a manner that allows for the option of a co-located BESS to be installed at a later date.

A significant change in the onshore renewable energy market in recent years has been the large increase in the number of independent developers that are pursuing new solar projects in New Zealand. New Zealand now has a substantial pipeline of solar projects at various stages of development.

The following parties play a key role in the development of onshore renewable energy generation pro-

jects in New Zealand (in addition to the providers of equity and debt capital to the project).

- Landowners – a key initial step for a developer is to secure appropriate rights to the land on which the project is proposed to be constructed and operated. Such rights are, for the most part, negotiated privately. Developers typically seek initial rights to enter the land for the purpose of conducting feasibility studies, under a licence arrangement, together with an option to acquire long-term land rights for the project (eg, by way of a lease, easement or freehold ownership), with the intention of exercising that option following a final investment decision.
- EDB/Transpower – depending on whether the project will be connected to a local network or the grid, connection rights with the relevant lines company and/or Transpower will need to be secured. A key consideration impacting the timeline is the work required to connect the project and, for a grid-scale project, where the project stands in Transpower's generation connection pipeline.
- Regional and District Councils – where consent under the RMA is required, this must be sought from the relevant council. Detailed environmental effects assessments are required to be undertaken to support the application for consent.
- Local Communities – during the planning stages of the renewable energy projects, local communities and iwi (Māori tribes) are often consulted to ensure all potential effects of these projects are identified and responded to.
- Offtaker – in order to mitigate the project's exposure to merchant power price risk and, accordingly, to attract infrastructure-style equity investors and support a project debt financing, many developers will seek to secure a long-term PPA providing fixed pricing for the project's output.
- Construction and Operations Contractors – the arrangements for the construction and operation of renewable energy projects in New Zealand are varied. For solar, an approach which involves a full scope engineering, procurement and construction (EPC) contract is common, particularly where project financing is involved. For onshore wind, turbine supply and installation are typically contracted separately from balance of plant. The approach to contracting balance of plant varies depending on a number of factors, including the experience of the particular sponsor that is involved.
- OIO – if the project will involve equity investment from an overseas investor, consent under the OIA may be required (see **2.5 Market Access and Foreign Investment**).

6.2 Offshore Project Development

Permitting Regime

The offshore renewable energy market is still in its infancy in New Zealand. In Taranaki, there is opportunity for offshore wind to supplement the transition away from oil and gas exploration.

The newly enacted Offshore Renewable Energy Act provides a permitting framework for offshore renewable energy (see **2.1 Governing Law and Upcoming changes**).

The framework follows a developer-led approach where developers select the sites for their applications (although the Minister will take the initiative of launching an application round for a specific geographic area). Feasibility permits are to be granted for up to seven years to undertake studies on the specified seabed area. Feasibility permit holders will have the right to apply for a commercial permit to construct and operate the project. Commercial permits will have a duration of 40 years from the start date. For further information, see the New Zealand Trends and Developments section of Chambers' Renewable Energy 2026 Global Practice Guide.

Development Considerations

There are a number of considerations that developers are focused on in relation to the development of offshore energy projects in New Zealand.

- The supply chain would need to be developed, including for specialised equipment required to be supplied from outside New Zealand. New Zealand may seek to find opportunities to draw on capabilities developed for Australia's supply chain.
- Expertise in the local workforce for construction and operations activities would be required. There will be some overlap here with the existing expertise in Taranaki's oil and gas sector.

- Port facilities would need to provide sufficient capacity and capability for the storage and onshore construction of offshore wind components, as well as to service the vessels required for construction and to facilitate ongoing asset maintenance. There is the potential for Port Taranaki to serve as a "hub" for this purpose, subject to upgrades needed to port infrastructure.
- A further consideration is the availability of offtake arrangements providing long-term fixed pricing for electricity generated by the project, noting that the government has not to date been willing to offer price stabilisation mechanisms, such as contracts for difference.

6.3 Project Finance

Key Features of Project Finance Structures for Renewable Energy

The project finance structure for renewable energy projects in New Zealand is usually very similar to the project finance structure for other asset types. In particular:

- The project financing is non-recourse and the project obligors (typically limited partnerships in New Zealand) are special purpose vehicles.
- The financiers receive all asset security from the project obligors (including security over the equity interests in the project vehicle).
- The financiers have direct agreements with key counterparties, including the landlord, any PPA offtaker and any material construction contractor.

Key Legal Considerations

Key legal considerations for financiers that apply to renewable energy projects specifically include the following.

- The project site is often leased farmland, so the robustness of the lease terms, access to the site (including the interaction with any creditors of the landlord in an enforcement scenario), the landlord's rights to use the site and obtaining consents for the financiers to have a mortgage of the lease are important.
- For projects where there are multiple construction and supply contracts, the interface risk (including between construction works and supply of turbines or solar panels) needs to be managed appropriately.
- The project vehicle must operate within the regulated wholesale market, including compliance with the Code.
- The project vehicle needs dependable access to a grid or local network connection (which might require the construction of a new connection).
- Virtual PPAs are financial instruments and are therefore regulated as derivatives under the Financial Markets Conduct Act 2013.

There are no specific rules or regulations that apply to the project financing of renewable energy projects in New Zealand (as opposed to the project financing of other asset types).

6.4 Subsidies and Incentive Schemes

Subsidies and Incentive Schemes for Renewable Energy

New Zealand does not have any direct government incentive schemes aimed specifically at renewable energy, such tax deductions, subsidies or contracts for difference.

The Emissions Trading Scheme (ETS)

The ETS, introduced in 2008, is the primary legislative tool intended to incentivise emissions reductions in New Zealand. The ETS is a "cap and trade" system, that imposes a price on each tonne of carbon dioxide equivalent emitted by participants. The ETS applies to all sectors and all gases (except for agricultural emissions). The ETS operates as a domestic-only system.

Under the ETS, mandatory participants are required to "surrender" one New Zealand Unit (NZU) for each tonne of carbon dioxide equivalent emitted. The ETS operates as a "net" scheme, in that certain removal activities (most notably, forestry) can earn NZUs, with one NZU available for each tonne of carbon dioxide equivalent sequestered. Participants in the ETS can acquire NZUs to meet surrender obligations in a number of ways:

- by purchasing units at quarterly government auctions (provided that relevant reserve prices are met);
- by earning them through eligible removal activities;

• by purchasing them on the secondary market; or
• being awarded free units in certain circumstances.

The particular activities that trigger a person to be a mandatory participant in the ETS and to incur surrender obligations are defined in legislation and are subject to minimum thresholds. They include a wide range of activities across the forestry, liquid fossil fuels, stationary energy, industrial processes, synthetic gases and waste sectors.

Impact of the ETS

Because the ETS is a net scheme with emissions and removals treated on a "like for like" basis, the ETS has incentivised high rates of afforestation, especially in exotic species such as pinus radiata. The credits awarded for these projects can then be sold to mandatory participants for use in meeting emissions liabilities. However, this scheme has since been curtailed by the Climate Change Response (Emissions Trading Scheme—Forestry Conversion) Amendment Act 2025, which now restricts and limits ETS registrations on whole farm conversion to exotic forestry on high-to-medium versatility farmland.

A surplus of NZUs in the system has kept prices low through 2024 and 2025, though prices have since shown signs of recovery in 2026 as the government reduced auction volumes. Pricing plays into decisions on whether it is cheaper to meet the emissions liability under the ETS or invest in decarbonisation initiatives. Despite the ETS undergoing numerous reforms since it was introduced in 2008, there remain questions about its effectiveness in incentivising the energy transition.

6.5 Decommissioning Requirements

The cessation of renewable energy activities is regulated under the conditions of resource consents granted under the RMA for those activities. Conditions generally include requirements for decommissioning and site rehabilitation within specified timeframes. Bonds may also be required to be provided to ensure decommissioning is undertaken.

For offshore wind (and other offshore renewable energy technologies), the Offshore Renewable Energy Act requires that any commercial permit holders will be subject to decommissioning obligations that must be backed by one or more financial securities. Feasibility permit holders will, when applying for a commercial permit, be required to provide a decommissioning plan, a decommissioning cost estimate and a proposal on financial securities. The quantum of the financial securities will be determined by the Minister for Energy, based on the risk profile of the developer, and the Minister may adjust these requirements over time if required.

7. Outlook

7.1 Renewable Energy Policy Developments

Key future developments of renewable energy policy in New Zealand include the following.

• The reform of the RMA system to better enable infrastructure and renewable energy development (see **2.1 Governing Law and Upcoming Changes**).
• A consultation document was released by MBIE in July 2024 in relation to proposals for a regulation regime for carbon capture, utilisation and storage (CCUS), including recognising CCUS activities in the ETS to encourage CCUS operators. The Minister of Climate Change intends to introduce a Bill in relation to CCUS in 2026, aiming to be passed in 2027.
• Following the release of the Hydrogen Action Plan in 2024, in May 2025 the government released a discussion document on regulatory proposals for natural and orange hydrogen development; in particular, it discussed whether this should be regulated under existing legislation, or a new bespoke regime.
• A range of work is being undertaken by the Commerce Commission and Electricity Authority to update regulatory settings to support New Zealand's shift towards electrification. This may result in further changes to the Code.

For further information on recent and ongoing developments in New Zealand energy policy, see the New Zealand Trends and Developments section of Chambers' Renewable Energy 2026 Global Practice Guide.

Trends and Developments

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Russell McVeagh employs more than 350 staff and partners across its Auckland, Wellington and Te Waipounamu South Island offices, recently expanding with the opening of its Queenstown office in April 2025. The firm's renewable energy team is a market leader in New Zealand and has represented local and international clients on some of the most high-profile renewable energy transactions. The team has significant experience in advising on all aspects of renewable energy, including on the equity and debt financing, property, consenting and construction aspects of renewable energy projects and advising on the acquisition and sale of projects and project platforms. Russell McVeagh has a deep understanding of the key drivers and issues faced by project sponsors and deploys experts across its full-service practice to manage any issues that arise over the life cycle of a renewable energy project.

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Reforms in the Regulation of Renewable Energy in New Zealand

Introduction

In the past year, various legislative and regulatory reforms aimed at supporting the ongoing development of new renewable energy projects and the transition to a low-emissions economy have been introduced or proposed in New Zealand.

Renewable energy generation already represents a very high proportion of New Zealand's overall generation mix, with approximately 88% of total electricity generation coming from renewable sources in 2025. Forecasted increases in electricity demand are nevertheless driving significant development activity in new renewable energy generation, and the proportion of generation sourced from renewables is expected to continue to increase.

As is the case in many other countries, the need for investment in transmission and distribution infrastructure to support increasing electrification, increasing generation capacity and a more decentralised distributed generation system remain central to the overall solutions required for the electricity system in New Zealand. In a fast-changing sector, investors and developers are required to keep abreast of the many legislative and regulatory changes that will impact development activities and shape the sector for years to come.

Recent changes to environmental and planning laws, including fast-track consenting and amendments to, and the proposed replacement of, the Resource Management Act 1991 (RMA), aim to streamline approvals for significant infrastructure projects, including in renewable energy. Reforms to the Overseas Investment Act 2005 aimed at simplifying approvals for low-risk foreign investment have also been completed, with the Overseas Investment (National Interest Test and Other Matters) Amendment Act 2025 coming into force on 6 March 2026 and moving the regime towards a risk-based approach for many investments.

New Zealand's offshore wind permitting regime has been enacted. The Electricity Authority (EA) has finalised its roadmap to support battery energy storage system (BESS) investment. The EA has also concluded its consultation on cost allocation for instantaneous reserves, with a decision to change the methodology that affects wind and solar generators connected at scale. Finally, the EA has introduced certain Electricity Industry Participation Code 2010 (Code) amendments with the stated objective of promoting competition and the efficient operation of the electricity industry.

Resource consenting reform

The government has passed a series of bespoke amendments to the Resource Management Act 1991 (RMA) and is in the process of further reforming New Zealand's environmental and planning laws by replacing the RMA with the Natural Environment Bill and the Planning Bill. These changes generally aim to streamline and hasten the consenting process. This is expected to encourage investment in renewable energy and other significant infrastructure projects.

Amendments to the RMA were made through the Resource Management (Consenting and Other System Changes) Amendment Act, enacted in August 2025, which included changes to support renewable energy projects, such as the provision for a default duration period of 35 years for renewable energy-related resource consents and extending default lapse periods from five to ten years for resource consents for renewable energy activities.

In addition, the Fast Track Approvals Act 2024 (FTAA) was enacted in December 2024, creating an accelerated consenting pathway for projects with significant regional or national benefits. The FTAA specifically listed 22 renewable energy projects that could utilise the fast-track process without needing to make referral applications leading to cost and time savings. The FTAA is also expected to generally speed up consenting for other renewable energy projects that are not listed but are deemed to have significant regional or national benefits. Fast-track approval under the FTAA was granted in April 2026 for what is expected to be New Zealand's largest wind farm.

The government released its updated National Policy Statement for Renewable Electricity Generation (NPS-REG) in December 2025 which is now in force. Amendments have been made to reduce red tape and make consenting renewable energy projects easier. The NPS-REG has an expanded objective that puts greater weight on growing renewable electricity generation to meet New Zealand's energy and climate goals, while still supporting community wellbeing and a secure electricity supply. More broadly, the amendments make it easier to build, expand and upgrade renewable energy projects such as wind, solar and hydro schemes. They give more weight to the benefits of renewable energy, such as lower emissions and more secure electricity supply, and remove the need to prove there was no better alternative site before a project can go ahead in a particular location.

New provisions also better protect existing renewable energy sites from being disrupted by nearby developments, strengthen requirements to engage with Māori, and continue to allow flexible, practical solutions for managing any environmental effects. Finally, it will be easier for operators to renew consents, upgrade equipment or increase output at existing sites, since decision-makers now only need to focus on what has changed rather than reassessing the whole project.

The Natural Environment Bill and Planning Bill will replace the RMA and establish a new system of environmental regulation in New Zealand. The Planning Bill will establish a framework for planning and regulating the use, development and enjoyment of land, while the Natural Environment Bill will establish a framework for the use, protection and enhancement of the natural environment. Both Bills are expected to be passed before the November 2026 election. This new system intends for higher order planning documents, such as the NES-REG, to be more directive, and result in a more enabling and efficient consenting system, particularly for activities such as renewable energy generation.

Both the recently passed and proposed reforms aim to make the resource consent process generally more efficient and simplified, providing benefit to renewable energy developers, operators and investors. Many renewable energy projects are of a scale that qualifies for use of the fast-track consenting regime, and changes to the consenting framework such as the NPS-REG will likely increase the feasibility of renewable energy projects obtaining consent.

Overseas Investment Act Reform

New Zealand's overseas investment rules underwent their biggest overhaul in two decades when the Overseas Investment Act 2005 (OIA) was substantially amended by the Overseas Investment (National Interest Test and Other Matters) Amendment Act 2025 which took effect on 6 March 2026. The changes include a single, streamlined "national interest" test that aims to make it simpler and faster for overseas investors to obtain approvals for less sensitive transactions while still safeguarding the country's national interests. The national interest test applies by default to all transactions involving significant business assets and sensitive land (other than farmland, residential land and fishing quota, for which the previous consent pathways remain). Under the national interest test, the starting assumption investment can proceed unless a national interest risk is identified.

For renewable energy developers and investors, these reforms are broadly positive, although many solar developments are undertaken on large areas of farm land, which remains subject to the previous consent pathway.

Offshore wind

In July 2026, the Offshore Renewable Energy Act 2026 (ORE Act) came into force. For the first time, New Zealand now has a purpose-built licensing framework for offshore wind and other offshore renewable energy projects within its exclusive economic zone (EEZ) and territorial sea. The ORE Act regime operates through a two-stage permitting process.

- Feasibility permits allow developers to investigate and evaluate prospective offshore renewable energy sites. Applications may be made during an application round initiated by public notice from the Minister responsible for the ORE Act. The public notice must specify the geographical area in respect of which applications are invited and may also specify any applicable limits, including generation capacity, spatial area or technology type. In assessing applications, priority is given to energy system benefits and the financial capability of projects. Feasibility permits may be granted for up to seven years.
- Commercial permits authorise the actual construction and operation of offshore renewable energy infrastructure. A commercial permit may only be sought by, and granted to, an existing feasibility permit holder, rather than through a standalone application. Commercial permits have a duration of 40 years from the start date. As part of an application, the developer must submit a decommissioning plan and an estimate of decommissioning costs, which inform the financial security arrangements the Minister requires a commercial permit holder to put in place for decommissioning under the ORE Act.

The environmental effects of offshore renewable energy activities in the EEZ continue to be governed separately under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012, so developers must still obtain consents under that regime in addition to their ORE Act permits.

The ORE Act also addresses the interaction between offshore renewable energy and existing seabed mining and petroleum interests. The Minister responsible for the ORE Act may act jointly with the Minister responsible for the Crown Minerals Act 1991 to carve out specific zones where seabed minerals activity is restricted. In broad terms, this may prevent new minerals permits from being granted in that zone, prevent existing minerals permits from being extended into the zone, and prevent existing petroleum permits from being broadened to include other mineral types within it. Before declaring such a zone, the Ministers are obligated to engage with iwi, hapū, and other affected stakeholders. Any declared zone must be limited in both scope and duration to what is necessary to give a developer workable certainty. Importantly, this mechanism does not operate as a general override of other marine users' rights; rather, it is designed to provide a temporary reservation against competing minerals claims while a renewable energy project progresses through the permitting process.

Although offshore wind developers have long advocated for government measures to mitigate power price exposure, including mechanisms such as contracts for difference, the current government has taken the position that intervention of that nature would be inconsistent with New Zealand's market-led electricity framework and has generally indicated that it does not intend to provide financial support for offshore renewable energy developments. As a result, the ORE Act is principally concerned with establishing the permitting regime, with developers required to manage wholesale electricity price risk through their own commercial arrangements.

Regulatory reforms to the electricity market

The EA and the Commerce Commission established an Energy Competition Task Force in August 2024 to develop a series of short-term and medium-term actions with the stated aim of improving the performance of electricity markets. The Task Force's initial work programme was structured around two key objectives: increasing market competition and expanding consumer choice.

Several Task Force initiatives are progressing, with some recommendations now fully implemented, including the following.

- Distributor rebates for peak electricity supply – effective from the pricing year commencing 1 April 2026, the EA amended the Code to require distributors' pricing methodologies to include negative charges (rebates) for electricity injected into the network by households and small businesses during peak periods. The rebates must be set by reference to the average long-run marginal cost of peak demand that such injections can avoid, while taking into account factors such as uptake incentives, network stability and practical implementation considerations. The reforms are intended by the EA to better recognise the value of distributed energy resources, such as rooftop solar and batteries, encourage customers to supply power to the network during periods of peak demand, and support the long-term integration of distributed generation and storage into New Zealand's electricity system.
- Off-peak pricing – pursuant to the Electricity Industry Participation Code Amendment (Time-varying Pricing Requirements) 2025, all large retailers will, from 1 October 2026, be required to offer time-varying pricing plans that reward consumers for shifting electricity consumption away from peak periods. The stated objectives of the requirements are to strengthen price signals within the electricity market, encouraging consumers to adjust their usage in response to network conditions and reduce pressure on the electricity system during periods of high demand. The requirements will remain in place until 30 June 2031 unless renewed.
- Non-discrimination obligations – effective from 1 July 2026, the EA introduced non-discrimination obligations for New Zealand's generator-retailers (gentailers). Pursuant to the Electricity Industry Participation Code (Non-Discrimination Obligations and Associated Amendments) Amendment 2026, gentailers must (among other things) not (i) discriminate between buyers, or discriminate in favour of their own internal business units, for the supply of risk management contracts, or (ii) discriminate against buyers in favour of their own business units when pricing risk management contracts, in each case recognising that objectively justifiable differences do not amount to discrimination.

In addition, in January 2026, the EA confirmed its decision to introduce the Emergency Reserve Scheme (ERS) as a new ancillary service under the Code. The ERS is intended to strengthen security of supply by providing access to additional generation capacity that can be used, or load that can be interrupted, during periods of significant system stress or electricity shortages. Under the scheme, eligible participants, including large industrial consumers and other demand-response or reserve providers, will be compensated for making the reserve available and for reducing electricity consumption or making additional capacity available when directed by Transpower as System Operator. The Code amendments took effect on 1 March 2026, with full implementation of the scheme expected during the fourth quarter of 2026.

BESS: an evolving regulatory landscape

Development activity in BESS is increasing in New Zealand, both in stand-alone grid-scale BESS and BESS co-located with renewable energy generation. As more intermittent generation comes online, it is expected that BESS will play an important role in balancing supply and demand and enhancing the stability and resilience of the electricity grid.

In November 2025, the EA released a two-year BESS regulatory roadmap outlining its work to support BESS investment and integration into the electricity system. Key initiatives under the roadmap included:

- removing barriers to efficient BESS connection to distribution networks;
- improving network pricing to maximise consumer benefits from emerging technologies, including revised transmission connection and residual charges for BESS transmission which took effect on 1 April 2026; and
- enhancing investor participation in BESS wholesale and ancillary service markets.

In May 2026, the EA released a consultation proposing changes to dispatch requirements, bid and offer forms, and gate closure arrangements.

Looking further ahead, the EA is monitoring emerging areas relevant to BESS that fall outside the current roadmap's immediate scope, including the potential development of a capability market for control system response, the use of grid-forming and grid-following inverter technologies to manage system strength, and vehicle-to-grid services.

Transmission pricing methodology (TPM) review

The EA is consulting on multiple amendments to the Transmission Pricing Methodology (TPM), aimed at better aligning transmission charges with benefits, while reducing complexity, volatility, and administrative costs. The proposals include a proposed change that would affect TPM for battery energy storage systems. Under the TPM's "simple method" for calculating benefit-based charges (a simplified way of allocating charges based on historical power flows, used for smaller investments), a "demand factor" scales up charges for electricity drawn from the grid, reflecting that losing supply matters more to end-use consumers than to generators. The EA proposes to exempt battery storage from this demand factor, noting that batteries drawing power to charge are not consuming it the way an end-use customer does and applying the same scaling risks charging batteries being treated disproportionately compared to other supply technologies.

The EA expects to decide on a majority of the proposals in early November 2026, so that any approved changes can be reflected in Transpower's 2027/28 pricing.

Instantaneous reserves market: cost allocation to wind and solar

Transpower, as the system operator in New Zealand, procures instantaneous reserves contracts to insure against the risk of a sudden loss of generation, known as "contingent events". Such events might be caused by a sudden failure of a large generation unit or by the failure of the HVDC link that connects the North Island and the South Island. Instantaneous reserves can comprise both generation capacity that can be called upon to increase output or interruptible load that can be called upon to be reduced, when required.

In October 2025, the EA issued its final decision to amend the Code to update the methodology for allocating instantaneous reserve costs. Under the methodology in place prior to these Code amendments, the costs of procuring instantaneous reserves are allocated to generators with individual generating units exceeding 60 MW and to the HVDC owner (Transpower). The 60 MW threshold is calculated by reference to the size of individual generating units (being, in the case of a wind farm, the individual turbines) on the basis that the sudden loss of 60 MW, or less, poses no risk to consumer supply and the power system is resilient enough to accommodate it. This means that individual wind and solar components are not considered large enough to attract instantaneous reserve charges, notwithstanding the size of the overall wind or solar project and the contingent event risk that project presents to the system.

The Code amendment, implemented as of 1 October 2026, introduces the concept of "at-risk generation" so that groups of many small generating units behind a single point of connection are treated the same as single generating units if they present the same contingent event risk. This means allocations will be based on injections above 60 MW from generation that is either a single generating unit, a group of generating units comprising a single risk (as determined by the System Operator), or the HVDC link. From 1 October 2026, the System Operator is required to publish and maintain a list of all at-risk generation with a total generating capacity of more than 60 MW, and participants will receive reserve cost allocations based on the amended methodology.

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