



COVERSHEET

Minister	Hon Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	December 2020 Update on the NZ Battery Project	Date to be published	22 February 2021

List of documents that have been proactively released

Date	Title	Author
16 December 2020	December 2020 Update on the NZ Battery Project	Office of the Minister of Energy and Resources
16 December 2020	CBC-20-MIN-0090	Cabinet Office

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

New Zealand Battery Project

Portfolio **Energy and Resources**

On 16 December 2020, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act [CAB-20-MIN-0536]:

- 1 **noted** that Cabinet agreed to fund the NZ Battery Project as an Infrastructure Reference Group (IRG) 'shovel ready' initiative, which included the establishment of the \$100 million multi-category appropriation "Energy and Resources: Investment in Infrastructure Projects", which supported the development of a feasibility study for Lake Onslow pumped hydro and other energy storage options [CAB-20-MIN-0341];
- 2 **agreed** that the assessment criteria for the NZ Battery Project are:
 - 2.1 Objective – To manage or mitigate dry year risk in the electricity system;
 - 2.2 Criteria - Any proposal or group of proposals will be assessed against its ability to:
 - 2.2.1 provide at least [5,000 GWh] of energy storage or equivalent energy supply flexibility;
 - 2.2.2 provide significant levels of employment for post COVID-19 recovery;
 - 2.2.3 reduce emissions either directly or indirectly through facilitating decarbonisation;
 - 2.2.4 maximise renewable electricity in order to provide a pathway to achieve the goal of 100 percent renewable electricity;
 - 2.2.5 lower wholesale electricity prices;
 - 2.2.6 be practical and feasible:
- 3 **noted** that the assessment of any option will take into account wider social, cultural and environmental factors, as well as those identified in the criteria above;
- 4 **agreed** that the NZ Battery Project will assess the viability of pumped hydro as part of its primary objective, and consider this solution against alternative technologies if they are identified through the process;

- 5 **noted** that the Ministry of Business, Innovation and Employment (MBIE) has commenced the first stage of the project (funded up to \$30 million) which is the process of recruiting a small internal team and engaging external technical consultants;
- 6 **noted** that to ensure good project governance, MBIE will be establishing a project technical reference group for advice on project analysis and an expert advisory group comprising three to four skilled or knowledgeable experts (including in matauranga Māori) at a senior level to advise of overall project issues;
- 7 **noted** that MBIE anticipates commencing the analysis work for the first stage of the project in January 2021 and completing this in the first quarter of 2022;
- 8 **noted** that the reporting process agreed earlier by Infrastructure Reference Group (IRG) Ministers for the NZ Battery project was a quarterly report to Crown Infrastructure Partners and IRG Ministers;
- 9 **agreed** that reporting arrangements for the NZ Battery project will be direct to the Minister of Energy and Resources, who will update Cabinet, through the appropriate Cabinet committee, on a quarterly basis or when significant project milestones have been met.

Gerrard Carter
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Jan Tinetti
Hon Dr David Clark
Hon Dr Ayesha Verrall
Hon James Shaw

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet