

New Zealand Port Company CEO Group – Submission NCP

This submission is made on behalf of the New Zealand Port Company CEO Group. The group comprises 13 Members : Northport, Auckland, Tauranga, Eastland, Napier, Taranaki, CentrePort, Marlborough, Lyttleton, Timaru, Otago and Southport.

Individual members have met with the Authority in recent months and the full Group had a meeting at their December meeting on 5 December. Maritime New Zealand has also engaged with the Authority on behalf on the sector.

In principle the Group is supportive of the proposed amendments but at this stage it is impossible to tell how relevant they will be to the sector.

The shipping industry is at the very early stages of the decarbonization journey. Increasingly new ships are being ordered with a requirement that they use lower emission or no-emission fuel types. Unfortunately, there are still no international rules on de-carbonization but these are under negotiation. Likewise there no consensus yet over what fuels will replace those currently in use. Electricity, methanol, hydrogen/ammonia, hybrid vessels (including those using some wind power) and nuclear are all in the mix. But we also know that many of the conventionally powered vessels in the international fleet are likely to still be in service until 2050 or beyond.

Emissions from ships while they are in port – loading and unloading or on cruise visits – are also increasingly in focus. Pressure is mounting for some ships to use electricity while in port and remove these emissions. This is happening in some ports offshore.

Ships have their own generators and can share some of the electricity they produce land based networks. This could be very important following natural disasters.

Unfortunately ships require very large (5-10 MW) of power, and generate similar levels of power. “Plugging” them in while at port will have significant implications for local and national electricity networks and will require substantial new investment – new capacity for the lines linking a port to the network, new sub-stations; and the physical infrastructure to allow the ship to be connected to the electricity network. Ports are

currently working through the economics of what might be required in their particular location. We are not sure about the extent to which Transpower has given thought to this matter. The cruise ship industry alone has the potential to draw down over 100MW on a busy day. Add in container and other ship types and there could be a significant impact on the New Zealand grid, should all ships simply plug in while at port. Should they be re-charging batteries (a potential requirement for at least some future vessel types) the draw down will be even greater. The implications at a local level are potentially even more significant.

It may be that some ports will find it more economic to have the capability of generating their own electricity to meet the needs of their shipping clients.

It is unfortunate that we cannot be more definitive at this stage but it is very possible that many of, if not all, or ports will require ungraded connections to distribution networks. The Group therefore supports policies that remove barriers and create efficiencies in the application processes for connecting distributed generation.

The Group would like to continue to engage closely with the Authority and appreciates this opportunity to submit on the Authority's proposed changes.

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