



## EVENT BRIEFING

### Launch of New Zealand Net Zero Investment Fund

<b>Date:</b>	4 August 2023	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2324-0428

Action sought		
	Action sought	Deadline
Hon Dr Megan Woods <b>Minister of Energy and Resources</b>	<b>Note</b> the run sheet and background for your attendance at the launch of BlackRock's New Zealand Net Zero Investment Fund.	7 August 2023

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Peter Bartlett	Director, Sector Engagement	s 9(2)(a)	✓

The following departments/agencies have been consulted
N/A

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



# EVENT BRIEFING

## Launch of New Zealand Net Zero Investment Fund

<b>Date:</b>	4 August 2023	<b>Priority:</b>	High
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### Purpose

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To provide run sheet background for your attendance at the launch of BlackRock's New Zealand Net Zero Investment Fund on Tuesday 8 August at 10:30 am.

### Recommendations

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The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** the run sheet and background.

*Noted*



Peter Bartlett,  
Director, Sector Engagement  
**Energy and Resource Markets**

Hon Dr Megan Woods  
**Minister of Energy and Resources**

04 / 08 / 2023

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## Background

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1. You will attend the Launch of BlackRock's New Zealand Net Zero Investment Fund on Tuesday 8 August 2023 at 10:30 am alongside the Prime Minister. This briefing provides short background. Your office will provide talking points for the event separately.
2. The run sheet for the event is as follows:

10:25	You and the Prime Minister arrive at the venue (Meredith Connell, 8 Hardinge Street, Auckland)
10:30	Speeches by the Prime Minister, you, Andrew Landman (Head of BlackRock Australasia) and Charlie Reid (Managing Director, Head of APAC for the Renewable Power Group)
11:00	Media
11:30	You and the Prime Minister depart

3. You and the Prime Minister will also make a press release on the fund.

## Background to the fund

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4. BlackRock, Inc. is an American multi-national investment company and the world's largest asset manager, with US\$10 trillion in assets under management as of January 2022. BlackRock's real assets team manage \$71 billion of client assets, working with clients to provide solutions tailored to individual portfolio needs such as income, growth, liquid or balanced real assets outcomes.
5. BlackRock's Climate Infrastructure business is one of the world's leading climate investment groups and currently manages \$16 billion of capital, which it has invested in over 400 wind, solar, battery and EV charging projects globally. BlackRock Climate Infrastructure has made investments in New Zealand's energy transition through both solarZero's solar and battery platform and JOLT's EV charging network.
6. The launch event will announce the establishment of a New Zealand Net Zero fund. The fund will specifically invest in New Zealand's energy transition, with an initial capital raise of \$2 billion NZD. The goal of the fund is to support New Zealand to become one of the first countries in the world to reach 100% renewable electricity.
7. You met with BlackRock's Asia Pacific team in April, and again with BlackRock's CEO Larry Fink in June, to encourage them to launch the fund. Energy and Resources officials have since been working with your office and BlackRock on the establishment of the fund.
8. The fund will invest across the New Zealand energy transition, with a focus on solar, wind (including offshore), green hydrogen and battery storage, as well as the enabling infrastructure required to support these sectors. s 9(2)(b)(ii)
9. To reach the \$2 billion total the fund intends to crowd in capital from private and institutional investors, 9(2)(b)(ii) BlackRock will also invest other global funds into New Zealand alongside the New Zealand Net Zero fund.
10. The intention would be to raise multiple funds over time, reaching more than 10 billion of aggregate capital, in order to make a meaningful contribution to the capital that New Zealand requires to reach 100% renewables and net zero.
11. BlackRock will also be opening an office in New Zealand to manage the fund.

## Risks

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12. The fund will look to crowd in capital from New Zealand independent crown entities and companies 9(2)(b)(ii)

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## Attendees

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14. A number of stakeholders in the energy and investment sectors have been invited to the launch of the fund. These include solarZero, Sir Stephen Tindall, NZ Super Fund, ACC, NZ Green Investment Fund, ANZ Funds Management, AMP New Zealand, Ara Ake, the Energy Efficiency and Conservation Authority, Transpower, Ngai Tahu, Waikato Tainui, Hiringa Energy and the Business Energy Council.

## Biographies

9(2)(a)



## EVENT BRIEFING

### Meeting with BlackRock, solarZero and Sir Stephen Tindall

<b>Date:</b>	4 April 2023	<b>Priority:</b>	High
<b>Security classification:</b>	Sensitive	<b>Tracking number:</b>	2223-3266

Action sought		
	Action sought	Deadline
Hon Dr Megan Woods <b>Minister of Energy and Resources</b>	<b>Note</b> the content and talking points ahead of your meeting with BlackRock, solarZero and Sir Stephen Tindall	6 April 2023

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Tamara Linnhoff	Manager, Electricity Generation, Infrastructure and Markets Policy	s 9(2)(a)	
Peter Bartlett	Director, Sector Engagement		✓

The following departments/agencies have been consulted
N/A

Minister's office to complete:

Approved

Declined

Noted

Needs change

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## EVENT BRIEFING

### Meeting with BlackRock, solarZero and Sir Stephen Tindall

<b>Date:</b>	4 April 2023	<b>Priority:</b>	High
<b>Security classification:</b>	Sensitive	<b>Tracking number:</b>	2223-3266

### Purpose

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To provide background and talking points head of your meeting BlackRock, solarZero and Sir Stephen Tindall from 3:00pm to 3:45pm on Thursday 6 April 2023 in Christchurch.

### Recommendations

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The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** the content of this briefing ahead of your meeting with BlackRock, solarZero and Sir Stephen Tindall.

*Noted*

T. Linnhoff

Tamara Linnhoff  
**Manager, Electricity Generation,  
Infrastructure and Markets Policy**  
Building, Resources and Markets, MBIE

04/04/2023

Hon Dr Megan Woods  
**Minister of Energy and Resources**

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## Background

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1. You are meeting with senior representatives from BlackRock Australasia, solarZero and Sir Stephen Tindall from 3:00pm to 3:45pm on Thursday 6 April 2023 in Christchurch. Peter Bartlett, Director – Sector Engagement, will support you in this meeting.
2. The purpose of the meeting is to discuss a proposal by BlackRock, solarZero and Sir Stephen Tindall to establish a New Zealand net zero investment fund alongside existing financial institutions. The parties have asked that we treat this information as commercial in confidence and that it is not shared widely.
3. Biographies for this meeting are provided in **Annex One**, suggested talking points are provided in **Annex Two**, BlackRock’s proposal is provided in **Annex Three**, and a brief overview of relevant NZ institutional financial funds is provided in **Annex Four**.

### Relationship between BlackRock, solarZero and Sir Stephen Tindall

4. BlackRock, Inc. is an American multi-national investment company and the world's largest asset manager, with US\$10 trillion in assets under management as of January 2022. BlackRock’s real assets team manage \$71 billion of client assets, working with clients to provide solutions tailored to individual portfolio needs such as income, growth, liquid or balanced real assets outcomes.
5. In September 2022, solarZero announced its acquisition by BlackRock. BlackRock will “work with solarZero’s management team to build on the company’s market -leading track record and drive its next phase of growth, both in New Zealand and internationally”. BlackRock plans to invest \$1 billion in new solar and battery systems across New Zealand over the next 10 years.
6. K1W1 Ltd is an investment company owned by Sir Stephen Tindall. It has invested more than \$100M Seed and Venture capital into a large number of start-up and early-stage businesses from biotech, environmental technology, high tech, software and other high export potential businesses. K1W1 is also an investor in solarZero.

## Proposal for a Net Zero Investment Fund

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7. BlackRock’s full proposal is provided at **Annex Three** of this briefing. The high-level parameters are:
  - BlackRock would establish a Net Zero Fund in New Zealand that would invest across the energy transition, with a focus on wind, solar, batteries, transmission, hydrogen, natural capital<sup>1</sup>, and the enabling infrastructure required to support these sectors.

s 9(2)(b)(ii)

- The intention would be to raise multiple funds over time in order to make a meaningful contribution to the capital New Zealand requires to reach 100 per cent renewables and net zero.

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<sup>1</sup> Natural resources, which includes geology, soils, air, water and all living organisms

- 9(2)(b)(ii) [Redacted]

s 9(2)(b)(ii) [Redacted]

**Issues that might need considering in any Government support**

9. In general, Energy and Resource Markets officials are supportive of attracting more international capital into New Zealand to fund the energy transition. The challenges New Zealand faces (e.g. the need for rapid build of renewable energy generation, high intermittency leading to firming challenges, decarbonisation of heavy industry etc,) could be solved faster if there was a greater level of international capital available in New Zealand focused on establishing solutions to these challenges.
10. Further, decarbonisation technologies (such as hydrogen or synthetic aviation fuel) are near to market but involve a “green premium” or price gap that makes them more expensive than existing fossil fuel options. This premium makes it harder for businesses to make the investment decisions required to transition. This can create a chicken and egg situation, as investment or an offtake is required to scale the technology to the point where it becomes cost competitive. A dedicated fund available for the energy transition may be of significant value to New Zealand in supporting business to transition, as well as to build the levels of renewable electricity generation and supporting infrastructure that we require. Other pricing signals (such as the Emissions Trading Scheme) also have a role to play in reducing this premium.
11. There is also some merit in the argument that solutions developed in New Zealand as we transition to a fully net zero economy could be scaled to larger export markets in future. As other countries in future reach the same proportion of renewable electricity that New Zealand already has, these economies are likely to face similar challenges., meaning New Zealand can represent an early proving ground for renewable business models.
12. In the time available, officials have not been able to fully assess whether we would recommend the Government support this proposal. BlackRock appears to be seeking an indication from you that this idea is worth exploring further, rather than a firm commitment of any sort.
13. We also assess from BlackRock’s proposal that they may be unaware of the institutional arrangements that apply to existing large sources of capital in NZ they are seeking to partner with.
14. Some considerations that may apply are:

- 9(2)(b)(ii) [Redacted]

[Redacted]



9(2)(b)(ii)

A large rectangular area of the document is redacted with a solid grey fill. The redaction covers approximately four lines of text, starting from the '9(2)(b)(ii)' label and extending across the width of the page.

- Given the variety of existing funds relevant to the energy transition that are already available, officials would provide further advice on the types of investments that it would make the most sense for this proposed fund to focus on, to avoid overlap with existing options and maximise the value to New Zealand.

## Next steps

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15. Should you wish to explore this opportunity further, following this meeting officials will need to engage with the Treasury and other key agencies to explore what is possible, and any issues that would need working through.
16. We recommend you ask BlackRock what they would see as next steps to take this opportunity further, after which we can work with them to action. We can also ensure BlackRock is connected with the relevant financial actors in New Zealand and provide a convening function where required.

## Annexes

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Annex One: Biographies

Annex Two: Suggested talking points

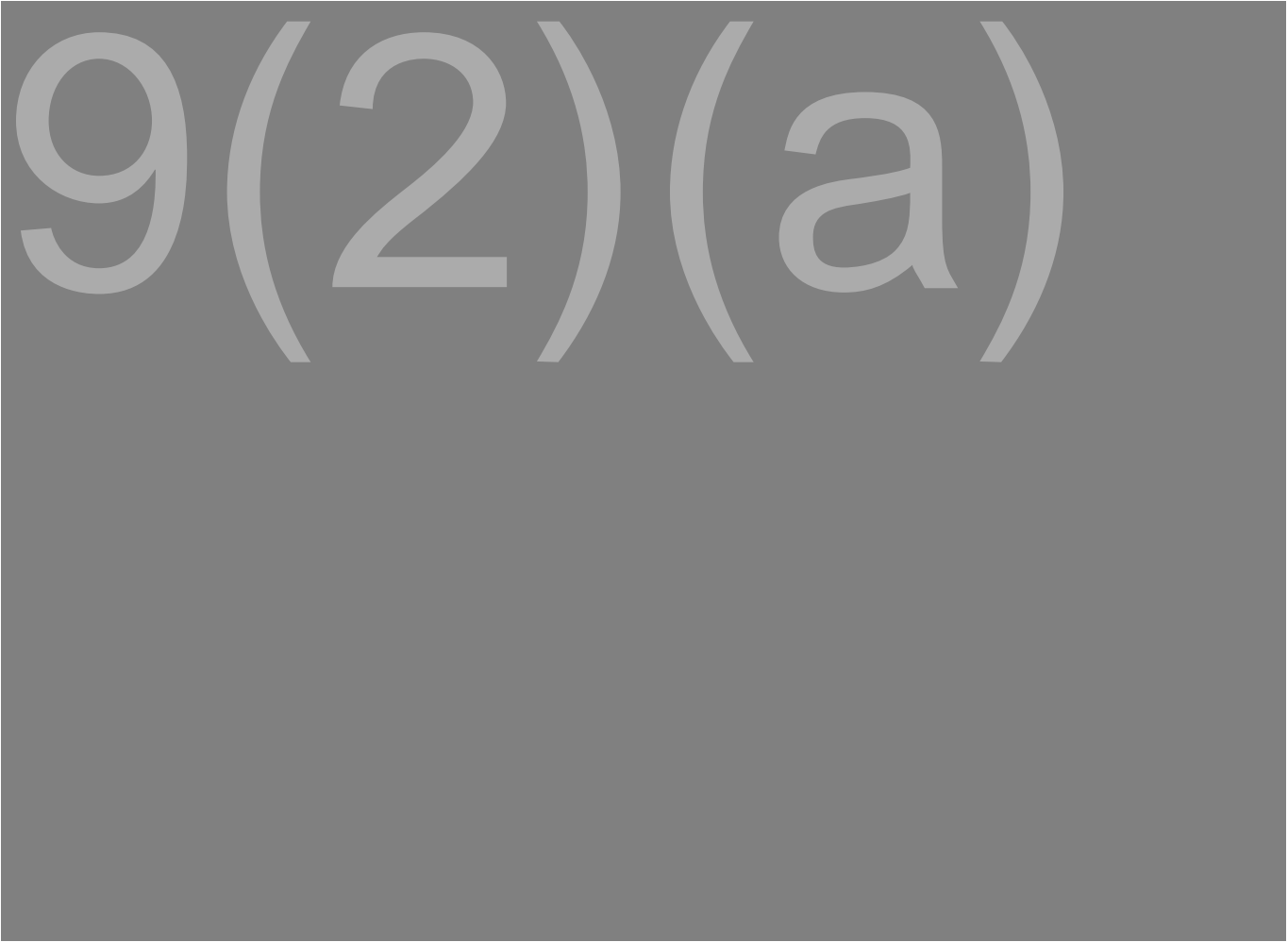
Annex Three: Blackrock Proposal

Annex Four: Overview of relevant existing funds

## Annex One: Biographies

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9(2)(a)



## Annex Two: Suggested talking points

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- Thank you for making the time to meet with me today to discuss this exciting proposal. The Government is fully committed to transitioning our energy system to net zero at pace, and we know that it will take significant investment to achieve this.
- New Zealand already has a very high proportion of renewable electricity, which can be up to as high as 90 per cent in some weeks.
- Despite this, know we are going to need significantly more electricity to fully decarbonise our wider energy use through electrification and other technologies like hydrogen. Demand for electricity is forecast to rise significantly over the coming years.
- Our energy system will also have specific challenges that come with a fully renewable system. This includes firming the system when generation is highly intermittent through demand response, solving the problem of dry periods when our hydro generation is low, and utilising green replacements for fuel, such as hydrogen in heavy transport and synthetic aviation fuel.
- There is an opportunity for international capital and innovation to establish proof of concept for solutions to solve these issues here in New Zealand, before scaling to other markets.
- Can you outline how you would see a Net Zero fund operating in New Zealand, and what sort of Government support you are looking for?
- What would you see as relevant next steps to further this opportunity?
- I note that there are various financial institutions already operating in New Zealand that could work with you to establish a fund. The Government remains largely arms-length from directing these funds to invest in any specific way, but may be able to play a convening and coordinating role.
- My officials are available to work with you, and connect you to other government agencies and investment funds, to take this opportunity forward.

# Annex Three: BlackRock Proposal

## STRICTLY COMMERCIAL IN CONFIDENCE

### Notes for meeting between BlackRock, Sir Stephen Tindall and the Minister of Energy and Resources, 6th April 2023

#### The New Zealand Net Zero Fund

- BlackRock is the world’s largest investor, with a mission to provide a better financial future for its clients
- Blackrock’s Climate Infrastructure business is one of the world's leading climate investment groups and currently manages \$16bn of capital, which it has invested in over 400 wind, solar, battery and EV charging projects globally
- BlackRock Climate Infrastructure has made investments in New Zealand’s energy transition through both solarZero’s solar and battery platform and JOLT’s EV charging network
- With a renewable penetration of 85 per cent, New Zealand is operating in the future and is aiming for 100 per cent renewable electricity by 2030 and net zero by 2050
- To fund this transition to 100 per cent renewables, New Zealand needs access to around \$40bn of capital, with significantly more investment required to reach net zero
- This level of capital is currently not available and the nation risks being capital constrained in the transition to 100 per cent renewable energy
- BlackRock therefore proposes to establish a New Zealand Net Zero fund in order to assist New Zealand in its journey to 100 per cent renewables and net zero, and to provide a platform through which New Zealand and international investors can access what is a once in a generation investment opportunity
- The fund would invest across the energy transition and net zero landscape, with a focus on wind, solar, batteries, transmission, green hydrogen and natural capital, as well as the enabling infrastructure required to support these sectors

s 9(2)(b)(ii)

- In order to seed this initiative, s 9(2)(b)(ii)

s 9(2)(b)(ii)

- BlackRock will also invest other global funds into New Zealand alongside the New Zealand Net Zero fund
- The s 9(2)(b)(ii) will provide immediate funding to urgent, high quality investment opportunities in New Zealand

- The intention would be to raise multiple funds over time in order to make a meaningful contribution to the capital that New Zealand requires to reach 100 per cent renewables and net zero

**Why should the government be interested in this proposal?**

- The fund will help enable and accelerate New Zealand's transition to 100 per cent renewables and net zero
- The initiative firmly places New Zealand at the forefront of the decarbonization agenda globally, with New Zealand having the potential to be the first country in the world to reach 100 per cent renewables and net zero
- The fund will assist existing industry through the transition and will also attract new industry which will be attracted to New Zealand as a destination that can guarantee 100 per cent renewable energy

s 9(2)(b)(ii)

- The fund will provide a vehicle for New Zealand investors to capture the compelling climate infrastructure investment opportunities created by the energy transition and the journey to net zero
- The fund will help develop New Zealand's climate finance ecosystem and will also have a range of direct social impacts, including carbon emission reduction and high-skilled job creation in industries that the nation's future economy needs to thrive
- The fund will also continue to make energy more affordable for all New Zealanders
- The fund enables investment at the scale that is needed in a highly targeted way and enables existing funds to be leveraged many times over

○ 9(2)(b)(ii)

9(2)(b)(ii)

9(2)(b)(ii)



9(2)(b)(ii)



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

**IN CONFIDENCE**



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# Energy and Resources Weekly Report

To Hon Dr Megan Woods  
Minister of Energy and Resources

Week beginning Monday, 3 April 2023

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## Upcoming Briefings & Meetings

<b>Upcoming Briefings &amp; Cabinet Papers</b>			
<b>Subject</b>	<b>Comment</b>	<b>Due date</b>	<b>Contact</b>
<b>Event briefing:</b> Blackrock Representatives Andrew Booth - Solar Zero and Stephen Tindall	This briefing will provide you with background and talking points for your meeting with Blackrock Representatives and Solar Zero	Tuesday, 4 April 2023	Peter Bartlett, Tamara Linnhoff
Out of scope			



## Upcoming Meetings

Meeting Information	Time	Officials Attending
Out of scope		
<b>Thursday, 6 April 2023</b>		
Meeting with Blackrock Representatives Andrew Booth – Solar Zero and Stephen Tindall	3.00pm – 3.45pm	Peter Bartlett