

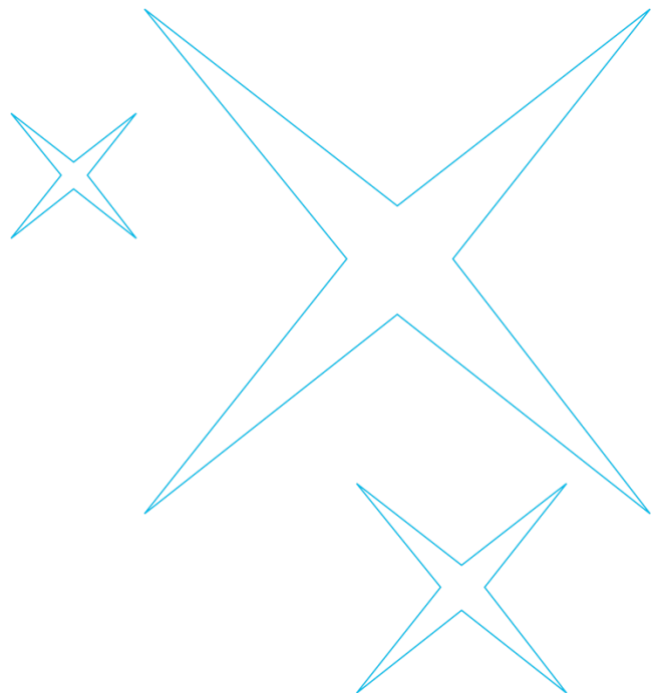
June 2026

# Aotearoa New Zealand Sustainable Finance Taxonomy

*Energy sector*

*Activity-specific Do No Significant Harm (DNSH)  
criteria*

Draft for public consultation



# Energy sector Do No Significant Harm criteria – draft for public consult

Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy) Do No Significant Harm (DNSH) criteria ensure an economic activity that makes a substantial contribution to one of the NZ Taxonomy’s environmental objectives – such as climate change mitigation – does not cause significant harm to any of the NZ Taxonomy’s other environmental objectives.

They function as a risk management tool, ensuring activities aligned with the NZ Taxonomy do not create unintended or adverse environmental consequences. While Substantial Contribution (SC) criteria aim to achieve positive environmental outcomes, DNSH criteria are not intended to deliver net-positive impacts – their role is to prevent harm.

The DNSH sit alongside Minimum Social Safeguard (MSS) criteria, which similarly ensure that an economic activity that makes a substantial contribution to one of the NZ Taxonomy’s environmental objectives – such as climate change mitigation – does not cause significant harm to social outcomes. The MSS are a cross-sectoral criteria that have been established in a previous phase and can be read [here](#).

Together, these two sets of criteria provide a core safeguard.

The NZ Taxonomy adopts a dual approach, consistent with international best practice (e.g., EU, Australia):

- Generic DNSH criteria: Applied across all Taxonomy environmental objectives and sectors. These criteria are related to each of the other environmental objectives. You can review the cross-sectoral generic DNSH [here](#).
- Activity-specific DNSH criteria: Tailored for individual activities and their material impacts.

This approach ensures the criteria remains both practical to implement and effective at managing specific risks across different sectors/economic activities.

It is intended that proponents will demonstrate alignment with one environmental objective’s SC criteria (i.e., the activity is making a “substantial contribution” to one environmental objective) and demonstrate DNSH compliance for the remaining five environmental objectives.

For example, activities seeking alignment under the climate change mitigation objective are assessed against the climate change mitigation SC and assessed the other five environmental objective’s DNSH criteria, but not the climate change mitigation DNSH criteria.

| Objective  | Activities that make a substantial contribution to climate change mitigation are assessed against the DNSH for: | Activities that make a substantial contribution to climate change adaptation and resilience are assessed against the DNSH for: |
|--|---|--|
| Climate change mitigation  | No  | Yes  |
| Climate change adaptation and resilience                               | Yes   | No   |
| Protection and restoration of biodiversity and ecosystem               | Yes   | Yes  |
| Sustainable use and protection of water resources and marine resources | Yes   | Yes  |
| Pollution prevention and control                                       | Yes   | Yes  |
| Transition to a circular economy                                       | Yes   | Yes  |

While this is the intended final use of these criteria, the technical groups are supportive of a phased and proportional approach for requiring the assessment of DNSH and MSS for alignment claims. Please refer to the DNSH/MSS approach paper, [here](#), for more information about the approach and design of these criteria.

The Energy sector activity-specific DNSH is available for feedback in this consult.

## Activity-specific Do No Significant Harm criteria for Aotearoa New Zealand's Energy sector

### 1. Electricity generation, including cogeneration of heating/cooling and power, from solar photovoltaic (PV), concentrated solar power (CSP), and photovoltaic-thermal (PVT) systems

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | N/A   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | Apply generic criteria. In addition, where relevant: <ul style="list-style-type: none"> <li>Potential negative impacts of the cooling system on water resources are avoided.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

### 2. Electricity generation from onshore and offshore wind

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | N/A   |
| Climate change adaptation and resilience                               | Apply generic criteria.                                 |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.                                 |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.                                 |
| Pollution prevention and control                                       | Apply generic criteria. In addition, for offshore wind: |

|                                  |  |
|----------------------------------|--|
|                                  | <ul style="list-style-type: none"> <li>Any required mitigation measures are in place to avoid or reduce underwater noise generated by the installation of offshore wind turbines.</li> <li>Measures are in place to minimise the toxicity of anti-fouling paint and biocides as per international standards and guidelines (e.g., International Convention on the Control of Harmful Anti-fouling Systems on Ships; ISO 13073).</li> </ul> |
| Transition to a circular economy | Apply generic criteria.  |

### 3. Electricity generation from ocean energy

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | N/A   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>Any required mitigation measures are in place to avoid or reduce underwater noise created by the generation of electricity.</li> <li>Measures are in place to minimise the toxicity of anti-fouling paint and biocides as per international standards and guidelines (e.g., International Convention on the Control of Harmful Anti-fouling Systems on Ships; ISO 13073).</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

#### 4. Electricity generation from hydropower

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific emissions threshold – below 150gCO<sub>2</sub>e/kWh lifecycle emissions OR specific power density threshold – above 3.5W/m<sup>2</sup>.</li> </ol>  |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Construction of new hydropower should not increase river fragmentation. Otherwise, compensatory measures are implemented prior to the project execution to restore continuity within the same river basin district to an extent that compensates the disruption of continuity. Consequently, refurbishment of existing hydropower plants and rehabilitation of existing barriers should be prioritised.</li> <li>• All necessary mitigation measures should be implemented to reach good ecological status or potential, in particular regarding ecological continuity and ecological flow. Priority should be given to Nature-based Solutions.</li> </ul> |
| Pollution prevention and control                                       | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Discharges to water bodies during hydropower construction are avoided.</li> <li>• The plant is maintained for high reliability to reduce potential loss of containment and minimise pollution.</li> </ul>  |
| Transition to a circular economy                                       | Apply generic criteria.   |

5. Electricity generation, including cogeneration of heating/cooling and power, from geothermal energy

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific emissions threshold – below 150gCO<sub>2</sub>e/kWh lifecycle emissions.</li> </ol>   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Discharges to water bodies should comply with individual license conditions for specific operations, where applicable, and/or national threshold values in line with the international standards and guidelines.</li> <li>• The operations of high-enthalpy geothermal energy systems ensures that adequate abatement systems are in place to comply with international standards and guidelines (e.g., IFC’s Environmental, Health, and Safety Guidelines for Geothermal Power Generation; ISO 14001:2015 Environmental management systems – Requirements with guidance for use).</li> <li>• Thermal anomalies associated with the discharge of waste heat should not exceed 3°K for groundwater environments or 1.5°K for surface water environments, respectively.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

## 6. Electricity generation, including cogeneration of heating/cooling and power, from bioenergy

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific emissions threshold – below 150gCO<sub>2</sub>e/kWh lifecycle emissions.</li> </ol>   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Feedstocks used to produce modern bioenergy comply with one of the following standards: <ul style="list-style-type: none"> <li>○ Forest Stewardship Council (FSC)</li> <li>○ Biomass Biofuels voluntary scheme (2BSvs)</li> <li>○ Bonsucro (Better Sugarcane Initiative)</li> <li>○ Roundtable of Sustainable Biomaterials (RSB)</li> <li>○ Round Table on Responsible Soy (RTRS)</li> <li>○ International Sustainability and Carbon Certification (ISCC and/or ISCC PLUS)</li> </ul> </li> </ul>  |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Plant emissions to air and water are within national and international guidelines (e.g., IFC EHS Guidelines: Air emissions and ambient air quality; ISO 14001:2015 Environmental management systems – Requirements with guidance for use; Strategic Approach to International Chemicals Management (SAICM); ISO 11014:2009(en) Safety data sheet for chemical products).</li> <li>• For anaerobic digestion of organic material, where the produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment, it meets the requirements for fertilising materials set out in national standards on fertilisers or soil improvers for agricultural use.</li> <li>• Measures are in place to ensure no significant cross-media effects occur.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

## 7. District heating and cooling systems

| Objective  | Criteria                |
|--|-------------------------|
| Climate change mitigation  | N/A                     |
| Climate change adaptation and resilience                               | Apply generic criteria. |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria. |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria. |
| Pollution prevention and control                                       | Apply generic criteria. |
| Transition to a circular economy                                       | Apply generic criteria. |

## 8. Installation and operation of electric heat pumps

| Objective  | Criteria                |
|--|-------------------------|
| Climate change mitigation  | N/A                     |
| Climate change adaptation and resilience                               | Apply generic criteria. |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria. |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria. |
| Pollution prevention and control                                       | Apply generic criteria. |
| Transition to a circular economy                                       | Apply generic criteria. |

## 9. Production of heating or cooling from waste heat

| Objective  | Criteria                |
|--|-------------------------|
| Climate change mitigation  | N/A                     |
| Climate change adaptation and resilience                               | Apply generic criteria. |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria. |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria. |
| Pollution prevention and control                                       | Apply generic criteria. |
| Transition to a circular economy                                       | Apply generic criteria. |

## 10. Production of heating or cooling from solar thermal heating

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | N/A   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | Apply generic criteria. In addition, where relevant: <ul style="list-style-type: none"> <li>• Potential negative impacts of the cooling system on water resources are avoided.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

## 11. Production of heating or cooling from geothermal energy

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific emissions threshold – below 150gCO<sub>2</sub>e/kWh lifecycle emissions.</li> </ol>   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Discharges to water bodies should comply with individual license conditions for specific operations, where applicable, and/or national threshold values in line with the international standards and guidelines.</li> <li>• The operations of high-enthalpy geothermal energy systems ensures that adequate abatement systems are in place to comply with international standards and guidelines (e.g., IFC’s Environmental, Health, and Safety Guidelines for Geothermal Power Generation; ISO 14001:2015 Environmental management systems – Requirements with guidance for use).</li> <li>• Thermal anomalies associated with the discharge of waste heat should not exceed 3°K for groundwater environments or 1.5°K for surface water environments, respectively.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

## 12. Production of heating or cooling from bioenergy

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific emissions threshold – below 150gCO<sub>2</sub>e/kWh lifecycle emissions.</li> </ol>   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Feedstocks used to produce modern bioenergy comply with one of the following standards: <ul style="list-style-type: none"> <li>○ Forest Stewardship Council (FSC)</li> <li>○ Biomass Biofuels voluntary scheme (2BSvs)</li> <li>○ Bonsucro (Better Sugarcane Initiative)</li> <li>○ Roundtable of Sustainable Biomaterials (RSB)</li> <li>○ Round Table on Responsible Soy (RTRS)</li> <li>○ International Sustainability and Carbon Certification (ISCC and/or ISCC PLUS)</li> </ul> </li> </ul>  |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | <p>Apply generic criteria. In addition:</p> <ul style="list-style-type: none"> <li>• Plant emissions to air and water are within national and international guidelines (e.g., IFC EHS Guidelines: Air emissions and ambient air quality; ISO 14001:2015 Environmental management systems – Requirements with guidance for use; Strategic Approach to International Chemicals Management (SAICM); ISO 11014:2009(en) Safety data sheet for chemical products).</li> <li>• For anaerobic digestion of organic material, where the produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment, it meets the requirements for fertilising materials set out in national standards on fertilisers or soil improvers for agricultural use.</li> <li>• Measures are in place to ensure no significant cross-media effects occur.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

### 13. Transmission and distribution of electricity

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific threshold – propose that ‘The infrastructure is not dedicated to creating a direct connection, or expanding an existing direct connection to a power production plant where the lifecycle GHG emissions exceed 150gCO<sub>2</sub>e/kWh threshold’.</li> </ol> |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria. In addition, for underline powerlines: <ul style="list-style-type: none"> <li>• Avoid routings that would have a significant impact on marine and terrestrial ecosystems.</li> </ul>  |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | Apply generic criteria. In addition, for overhead high-voltage lines: <ul style="list-style-type: none"> <li>• Respect applicable norms and regulations to limit impact of electromagnetic radiation on human health (e.g., 1998 ICNIRP (International Commission on Non-Ionizing Radiation Protection)).</li> <li>• Do not use Polychlorinated Biphenyls (PCBs).</li> </ul>  |
| Transition to a circular economy                                       | Apply generic criteria.   |

#### 14. Transmission and distribution of renewable and low-carbon gases

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | <p>The conversion, repurposing, or retrofit does not result in any of the following:</p> <ul style="list-style-type: none"> <li>• Increase gas transmission and distribution capacity.</li> <li>• Extend the lifespan of the networks beyond their projected lifespan before the conversion, repurposing or retrofit, unless the network is dedicated to renewable and low-carbon gases.</li> </ul> |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | Apply generic criteria.   |
| Transition to a circular economy                                       | Apply generic criteria.   |

#### 15. Remote and micro-grid systems

| Objective                                | Criteria   |
|--|--|
| Climate change mitigation                | <ol style="list-style-type: none"> <li>1. Apply generic criteria – i.e., conduct lifecycle GHG inventory or carbon footprint assessment and mitigation measures; and</li> <li>2. Apply specific threshold – propose that ‘The infrastructure is not dedicated to creating a direct connection, or expanding an existing direct connection to a power production plant where the lifecycle GHG emissions exceed 150gCO<sub>2</sub>e/kWh threshold. Exceptions apply to fossil fuel back up, which should make up less than 10% of the grid’.</li> </ol> |
| Climate change adaptation and resilience | Apply generic criteria.  |

|  |   |
|--|---|
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria.   |
| Pollution prevention and control                                       | Apply generic criteria. In addition: <ul style="list-style-type: none"> <li>• Potential negative impacts of the cooling system on water resources are avoided.</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

## 16. Storage of energy

| Objective  | Criteria  |
|--|---|
| Climate change mitigation  | N/A   |
| Climate change adaptation and resilience                               | Apply generic criteria.   |
| Protection and restoration of biodiversity and ecosystem               | Apply generic criteria.   |
| Sustainable use and protection of water resources and marine resources | Apply generic criteria. In addition, for pumped hydropower storage connected to a river body: <ul style="list-style-type: none"> <li>• The activity also complies with the specific DNSH criteria for electricity generation from hydropower.</li> </ul>  |
| Pollution prevention and control                                       | Apply generic criteria. In addition: <ul style="list-style-type: none"> <li>• The activity complies with international standards, particularly if the storage is above five tonnes (e.g., ISO 19884 Gaseous Hydrogen – Cylinders and tubes for stationary storage; IEC 63341-2 Railway applications – Rolling stock – Fuel cell systems for propulsion – Part 2: Hydrogen storage system; ISO 16111 Transportable Gas Storage Devices – Hydrogen Absorbed in Reversible Metal Hydrides).</li> </ul> |
| Transition to a circular economy                                       | Apply generic criteria.   |

## 17. Research, development and innovation of energy technologies

| Objective  | Criteria   |
|--|--|
| Climate change mitigation  | Apply specific emissions threshold – the project lifecycle emissions from the researched technology, product or other solution is below 150gCO <sub>2</sub> e/kWh. |
| Climate change adaptation and resilience                               | Any potentially material climate- and natural hazard-related physical risks from the researched technology, product or other solution are evaluated and addressed. |
| Protection and restoration of biodiversity and ecosystem               | Any potentially material biodiversity- and ecosystem-related risks from the researched technology, product or other solution are evaluated and addressed.          |
| Sustainable use and protection of water resources and marine resources | Any potentially material water-related risks from the researched technology, product or other solution are evaluated and addressed.                                |
| Pollution prevention and control                                       | Any potentially material sources of pollution from the researched technology, product or other solution are evaluated and addressed.                               |
| Transition to a circular economy                                       | Any potentially material resource use and waste from the researched technology, product or other solution are evaluated and addressed.                             |



The consultation is open from Monday 8 June – Friday 10 July 2026.  
Please contact [taxonomy@sustainablefinance.nz](mailto:taxonomy@sustainablefinance.nz) for any questions or assistance.