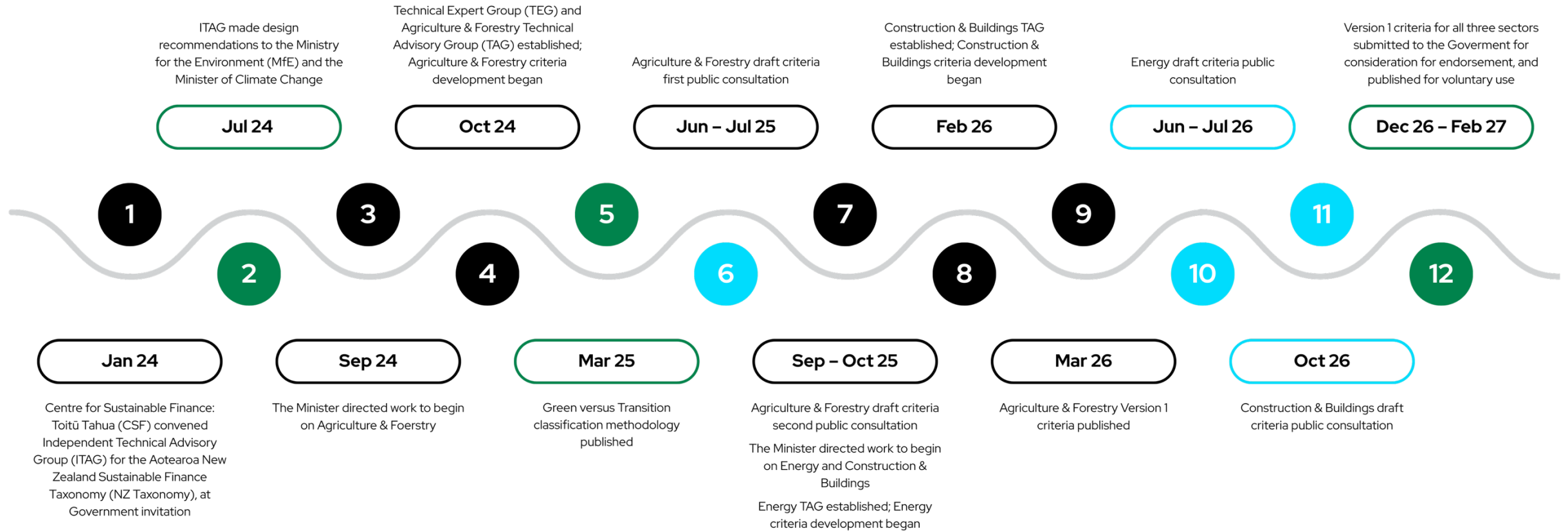


Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy) Energy consultation summary webinar

September 2026



NZ Taxonomy development timeline





Energy consultation feedback summary

Renzhu Zhang, Taxonomy Manager, Centre for Sustainable Finance: Toitū Tahua (CSF)

Submitters overview

19 submissions received:

- 14 organisational responses; and
- 5 individual responses.

Respondents included:

- Major banks;
- Energy sector participants and industry bodies;
- Environmental services; and
- Government agencies.

Components of the
Taxonomy
respondents
voted/commented on

Component	All	Energy	Finance	Other
Climate change mitigation SC criteria	94%	100%	100%	67%
Climate change A&R whitelist	53%	13%	83%	100%
Activity-specific DNSH	71%	75%	67%	67%
Guidance	65%	38%	100%	67%
Total	17	8	6	3

Feedback analysis approach and actions resulting

Category	Denoted as	Example	Action(s) – TEG/TAG process	Further CSF/CBI action(s)
New feedback or information requiring technical group discussion or direction	For discussion or seek further technical input (will be updated to amended or noted once resolved)	Recognise electricity generation from hydrogen and other non-bioenergy renewable or low-carbon fuels as eligible activities contributing to climate change mitigation.	CBI: Review feedback and develop proposals for technical groups' consideration.	CSF: Provide a summary of feedback in all updates, noting whether each point has been addressed – and if so, how; if not, why. CSF/CBI: Follow-up with respondents or technical experts where further information is required.
Editing suggestions, clear errors, or feedback that can be readily accepted	Amend (will be updated to amended once actioned)	Replace "installing underground electricity lines" with "installing underground electricity assets" – "lines" typically refers to above-ground infrastructure, whereas "assets" is a broader and more accurate term for underground infrastructure.	CBI: Draft and highlight proposed amendments in the technical criteria for technical groups' review.	CBI: Address through technical revisions.
Areas requiring clarification (conceptual or technical)	Clarify (will be updated to clarified once actioned)	Clarify the purpose of specifying ANZSIC codes and whether industries not listed are excluded from NZ Taxonomy alignment.	CSF/CBI: Draft and highlight proposed clarifications in the technical criteria for technical groups' review.	CSF: Address through clarity revisions in technical documents, supporting communications, and/or targeted user guidance where needed. Provide targeted briefings and Q&As for relevant organisations.
Feedback previously considered, out of scope, or unsuitable	Noted	Remove the "TRL ≥5" requirement for the RD&I activity.	CSF: Summarise feedback and CBI's response for the technical groups' information. No changes required to the technical drafts – issues have either been addressed, are unlikely to result in a change (with reasons provided), or fall outside the scope of this phase.	CSF: Capture stakeholder sentiment for Government function's information where appropriate and note potential future guidance needs.

Approach to consideration of consultation inputs

Energy TAG addresses feedback related to:

- New inclusions/exclusions;
- Credibility, interoperability, and usability considerations;
- “Substantial contribution” considerations;
- Suitability of the guidance; and
- Other technical amendments requiring TAG input.

TEG addresses feedback related to bullets #1–#4 above, any other TAG-/CBI-proposed substantive amendments, and market feedback affecting:

- Methodology; and
- Cross-sectoral components (e.g., generic DNSH, process-based approach to climate change A&R).

Review process:

- Key issues arising from consultation feedback discussed with Energy TAG.
- Updated drafts shared with TEG for further review and guidance.
- Energy TAG and CBI work to incorporate any required amendments before final TEG review.
- Final criteria endorsed by TEG (content) and Government quality assurance function (process), then submitted to Government by year-end and published for voluntary use early next year.

Summary of key feedback – climate change mitigation SC criteria

Broad support for:

- Draft activity list, including NZ-specific additions; and
- NZ-specific adaptations.

Requested additions:

- Two types of Transition activities – those progressing towards Green through a defined pathway, and those that are necessary to enable an orderly system transition but are not themselves capable of becoming Green;
- Partial or staged conversion of existing fossil fuel assets for renewable generation or T&D;
- Upstream manufacturing, production and upgrading of hydrogen, bioenergy, and other renewable and low-emissions fuels across gaseous, liquid, and solid forms;
- Hydrogen and other non-bioenergy renewable/low-emissions fuel generation;
- Central heating/cooling systems;
- EV charging infrastructure; and
- Carbon capture and reinjection for thermal plants (beyond geothermal).

Requested scope expansions within existing activities – recognition of:

- A broader range of marine energy technologies for ocean energy generation;
- Blended fuels under bioenergy generation;
- Supply-side flexibility and/or firming solutions within electricity T&D and energy storage;
- Small scale generation;
- Energy efficiency measures; and
- RD&I across all TRLs.

Requested clarifications:

- The process for reviewing and updating the activity list as technologies, market practices, policy settings, and energy system needs evolve;
- LCA boundaries and emissions accounting;
- Purpose and use of ANZSIC codes; and
- Meaning of “until 2030” – including grandfathering arrangements – and the post-2030 review process for emissions intensity thresholds.

Suggested activity-specific amendments:

- Fuel-specific thresholds and feedstock requirements for bioenergy generation;
- A qualifying pathway for renewable and low-carbon gases T&D where compliance with yet-to-be-developed manufacturing criteria is currently required;
- Reconsideration of the electricity T&D grid emissions criterion (requiring an average system grid emissions factor of $<100\text{gCO}_2\text{e/kWh}$ on a lifecycle basis over a five-year rolling period until 2030); and
- Reconsideration of the $\leq 10\text{GWP}$ threshold for district heating/cooling and heat pumps.

Summary of key feedback – climate change A&R whitelist

Broad support for:

- Use of the whitelist as a pathway for alignment; and
- Proposed whitelist measures.

Requested additions:

- Nature-based solutions for infrastructure/system resilience;
- Landslide and slope instability mapping, monitoring and modelling technologies/tools for asset relocation, resilient infrastructure siting, and access planning;
- Drought and water security measures addressing long-term water availability risks for energy systems;
- Advanced asset-level climate risk modelling for vulnerability identification and adaptation planning;
- Demand-side flexibility and load-shifting technologies for improved resilience during supply disruptions; and
- Customer-side distributed energy resources for continuity of energy supply and critical operations.

Suggested improvements:

- Strengthening the framework by:
 - Encouraging disclosure of intended resilience outcomes and relevant performance indicators;
 - Ensuring measures address material climate risks relevant to the asset, location, or system;
 - Introducing supporting guidance or checks to avoid maladaptation and increased vulnerability to other hazards; and
 - Requiring consideration of local conditions and future climate projections in implementation.
- Clarifying:
 - Distinction between adaptation measures and adaptation-enabling measures; and
 - Process for reviewing and maintaining whitelist measures over time.
- Considering:
 - Practical or cost barriers to accessing data and information needed for implementation, and potential need for regulatory involvement.

Summary of key feedback – activity-specific DNSH

Broad support for:

- Phased and proportionate DNSH assessments;
- Clear DNSH guardrails to prevent significant environmental harm, while avoiding overly complex or burdensome requirements that reduce usability; and
- Use of established international standards, industry codes of practice, and regulatory requirements/consents as valid proxies for demonstrating DNSH compliance.

Suggested improvements to the overall DNSH framework:

- Strengthening DNSH criteria to address existing harmful baseline conditions and avoid locking in ongoing environmental harm;
- Introducing end-of-life management requirements; and
- Enabling alignment with existing iwi and hapū management plans where appropriate.

Summary of key feedback – activity-specific DNSH (cont.)

Suggested activity-level improvements:

- Climate change mitigation:
 - Addressing SF₆-related impacts (electricity T&D).
 - Extending the dedicated exemption to both the network-lifespan and capacity limbs (renewable and low-carbon gases T&D).
- Biodiversity and ecosystems protection:
 - Strengthening protections for location-based biodiversity risks (e.g., land clearing).
 - Introducing a sector-wide, outcome-based criterion to avoid net biodiversity loss or material ecosystem degradation.
 - Strengthening activity-specific safeguards, including for i) wildlife collisions and entanglement (ocean energy), ii) fracking (enhanced geothermal systems), iii) impacts from feedstock collection and transportation (bioenergy), and iv) routing impacts on marine and terrestrial ecosystems (renewable and low-carbon gases T&D).
 - Tailoring DNSH requirements to different bioenergy feedstocks and pathways.
- Water and marine resources protection:
 - Addressing impacts on water temperature through generic DNSH.
 - Including activity-specific DNSH requirements to prevent i) material deterioration of water quantity, quality, temperature, or ecological condition (solar/geothermal/bioenergy/waste heat generation, remote/micro-grid systems), and ii) material disruption to marine ecosystem function, including ecological connectivity, migratory routes, and seabed habitat condition (wind/ocean energy generation).
- Pollution prevention and control:
 - Strengthening leak detection, prevention and management requirements for i) refrigerants (heat pumps), ii) gases (renewable and low-carbon gases T&D, energy storage), and iii) hazardous materials (energy storage).
 - Strengthening bioenergy-specific environmental safeguards, including management of i) bioash and other biomass combustion by-products, ii) risks associated with biomass storage (e.g., leachate and high-COD runoff), and iii) pollution from feedstock handling, processing, combustion, and waste management.
 - Tailoring bioenergy requirements to different pathways, distinguishing between biomass, biomethane, organic waste-derived bioenergy, and other renewable bioenergy fuels.

Summary of key feedback – firming/peaking guidance

Broad support for guidance on firming and peaking, but further refinement needed. Some confusion surrounding the purpose of the guidance, with some seeking guidance for a wider system transition be included.

Respondents suggested:

- Reflecting NZ's energy system context and avoiding overemphasis on gas;
- Taking a fuel-source and technology-neutral approach, recognising transitional fuels where relevant while prioritising solutions that improve system reliability and deliver sustained emissions reductions;
- Distinguishing due diligence considerations from expected evidences or outcomes;
- Making clear what constitutes “sufficient disclosure”, taking into account differences in entity sizes, ownership structures, and reporting obligations;
- Aligning guidance with evolving government policy/reliability obligations, climate-related disclosure requirements, and transition finance guidance; and
- Including clear review triggers and timelines to ensure guidance remains current as technologies, market conditions, and policy settings evolve.



Key areas for revision under technical groups' consideration

Renzhu Zhang, Taxonomy Manager, Centre for Sustainable Finance: Toitū Tahua (CSF)

Approach to consideration of consultation inputs (reminder)

- All feedback has been reviewed and considered by CBI.
- Key areas for revisions are taken to the technical groups for consideration.
- For some areas, further technical input may be sought from relevant stakeholders.
- Final revisions made to the criteria in expectation of publication early next year.

Key issues being considered in revisions

- **New activities and measures:** Proposed additions to the climate change mitigation SC criteria and climate change A&R whitelist, including scope expansions to existing mitigation activities.
- **Transition activities:** Inclusion of transitional activities for Energy.
- **Additional safeguards:** Strengthening mitigation SC or activity-specific DNSH criteria to prevent adverse environmental impacts.
- **Criteria refinements:** Edits across all three components (climate change mitigation SC, climate change A&R whitelist, activity-specific DNSH) to improve clarity, accuracy and usability.
- **Gas firming guidance:** Purpose, scope and use.

NZ Taxonomy purpose, methodological approach, and design principles

Purpose:

- Enable market participants to mobilise and direct capital flows towards:
 - Building a low-emissions, Paris-aligned future;
 - Restoring nature; and
 - Upholding the rights and interests of Indigenous Peoples of the land.

Green and Transition definitions:

- Activities included in the NZ Taxonomy can be classified as Green or Transition.
- Green:
 - Activities that currently substantially contribute to one of the Taxonomy's environmental objectives.
 - For climate change mitigation: Activities that are aligned with the long-term temperature goal of the Paris Agreement.
 - For climate change A&R: Activities that build/enhance adaptive capacity and resilience to climate-related hazards.
- Transition:
 - For climate change mitigation: Activities that currently still operate at substantial emissions and have no low-emissions alternative, but are a necessary part of the economy and societal well-being at present, and are either moving rapidly towards a Green, or, in the short-term, encouraging substantial GHG emissions reductions within a specific sunset date (where appropriate).
 - Does not apply to climate change A&R.

Design principles:

- **Credibility – Mana:** Apply an approach grounded in evidence and informed by international best practices and standards.
- **Usability – Whakamahi:** Ensure the Taxonomy is easy to use and fit-for-purpose, with TSC that are clear to a range of end users and supported by practical, reportable data and metrics.
- **Interoperability – Tuhono:** Align, as much as possible, with international standards and best practices in the design of the Taxonomy's structure and the components of the TSC. Promote interoperability with Australia, NZ's key trading partners, and other benchmark taxonomies across the APAC region.
- **Culture – Ahurea:** Embed Indigenous cultures and rights throughout the Taxonomy, with Iwi and Māori representation across all governance tiers and Indigenous views of nature integrated into the design of the TSC.
- **Prioritisation – Whakarite:** Prioritise environmental objectives and sectors based on relevance to NZ's environmental and economic priorities.

Key dates

- **July – November 2026:** Revisions to criteria made based on public consultation feedback.
- **December 2026:** NZ Taxonomy Energy sector criteria (Version 1) submitted to Government for consideration for endorsement.
- **February 2027:** NZ Taxonomy Energy sector criteria (Version 1) published on CSF website for voluntary market use.

Construction & Buildings sector criteria is still under development. Public consultation is expected to open early in October 2026 for four weeks.

Visit sustainablefinance.nz/nz-taxonomy for latest updates on NZ Taxonomy development.

Thank you

The Centre for Sustainable Finance: Toitū Tahua (CSF) was established in 2021 to advance progress toward the 2030 vision and Roadmap of the Sustainable Finance Forum

The forum was an initiative of Sir Rob Fenwick's The Aotearoa Circle