

[REDACTED]

24 June 2024

Dear [REDACTED]

Re: Official Information Act Request: EECA/NZ Steel Partnership

Thank you for your email tot the Ministry of Business, Innovation and Employment (MBIE) on Friday 03 May 2024 in which you requested information under the Official Information Act 1982, on behalf of [REDACTED]

[REDACTED] Your request was transferred to us on 24 May 2024 as your request aligns more closely aligned with EECA's functions. You requested the following:

Please supply the following information under the OIA and LGOIMA.

We are seeing specific information relating to Government funding of Pacific Steel EAF.

Please ensure the information we receive covers the following questions: - Please provide all evidence, the entire file, handwritten notes, audio recordings, site visits etc.

- 1. What was the process by Government to involve Pac Steel? Who initiated it?*
- 2. Who decided on partnering with Pac Steel? When was this decided upon and how was the decision made?*
- 3. Was there a tender process? If so, who put it out to tender?*
- 4. When was this put out for tender? Please provide full timeline.*
- 5. What advertising process was followed for the tender process?*
- 6. Who were all the parties involved in the tender process?*
- 7. Did tender go before a committee? If so, when did this happen? Who was involved?*
- 8. What was the select criteria? Please provide full details.*
- 9. Please provide all tender documents submitted by third parties.*
- 10. What was the selection criteria, process, and procedure?*

11. Copies of the contract that was signed between Government and Pac Steel.

12. For how many years is the contract and specifically what does this contract cover?

Please provide all unredacted information.

Please note that EECA is not subject to the LGOIMA, as we are a central Government Agency.

Appendix One contains EECA's response to your questions regarding the partnership with NZ Steel. It also provides an overview of relevant documents that fall within scope of your request.

Some information in the material has been withheld under the Official Information Act:

- Email addresses and signatures have been redacted under section 9(2)(a) to protect the privacy of these individuals.
- Some content has been withheld under s 9(2)(b)(ii) as disclosure would likely prejudice the commercial position of NZ Steel.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly at <https://www.eeca.govt.nz/about/news-and-corporate/official-information/> with your personal information removed.

Yours sincerely



Murray Bell
Group Manager of Strategy, Insights and Regulations

Appendix One: Written Response to Request

Note: The funding agreement is between EECA and New Zealand Steel Limited, so we are interpreting all references to Pacific Steel as New Zealand Steel. We understand both companies are owned by parent company BlueScope, but any obligations to provide funding, build the associated EAF and achieve the required emissions reductions lies between EECA and NZ Steel as per the funding agreement.

Questions 1-10

The below explanation is intended to cover questions 1-10. It outlines the purpose of the GIDI fund, the process for undertaking 'Partnerships' with the largest emitters, as well as general application and selection processes for GIDI funding.

EECA's Government Investment in Decarbonising Industry (GIDI) Fund, fund was originally established in 2020. Through Budget 2022, EECA received funding to expand GIDI, with the objective to provide funding to industrial energy users to reduce their emissions through fuel switching or energy efficiency projects. When designing the programme, EECA identified New Zealand's largest emitting industrial businesses to develop a strategic case for targeted funding, providing the biggest opportunity for impact of EECA's funding. EECA reached out to the 15 biggest emitting industrial businesses to seek an opportunity to partner to support a tailored and flexible programme for decarbonisation, with the incentive of Government funding available. These partnerships were developed on a case-by-case basis. New Zealand Steel was one of these companies, alongside Fonterra, who also received 'GIDI Partnership' funding (\$90 million targeted at reducing coal emissions across the country).

Alongside the GIDI 'Partnerships' process with the largest emitters, GIDI funding was also available for open application to any businesses (since its establishment in 2020). Information about this process was available on EECA's website, including application materials and the selection process. This was also marketed through EECA channels, including LinkedIn, newsletters, and promotion in niche publications such as Carbon News and Energy News. Additionally, Account Managers were encouraged to spread the word to existing contacts, as well as to those who may be interested.

Prior to the GIDI fund being discontinued in late 2023, EECA issued several funding rounds for open application by businesses:

- GIDI Contestable Round One (16 approved projects announced in April 2021, with \$27,792,958.00 in EECA co-funding, saving 185,000 tonnes in estimated annual abatement).
- GIDI Contestable Round Two (21 approved projects announced in September 2021, with \$27,624,081.00 in EECA co-funding, saving 139,700 tonnes in estimated annual abatement).
- GIDI Contestable Round Three (10 approved projects announced in April 2022, with \$6,537,642.75 in EECA co-funding, saving 24,800 tonnes in estimated annual abatement).
- GIDI Contestable Round Four (14 successful projects announced in April 2023, with \$15,758,326.00 in EECA co-funding, saving 37,600 tonnes in estimated annual abatement).
- GIDI Contestable Round Five (17 approved projects announced in August 2023 with \$33,310,389.00, saving 67,300 tonnes in estimated annual abatement).

- GIDI Industrial (7 approved projects announced in November 2023 with \$10,870,052.00, saving 25,300 tonnes in estimated annual abatement).

From 1 July 2023, GIDI: Industrial replaced the past contestable rounds (one - five) and the application process switched to an “always on” model, receiving applications on a rolling basis. Businesses could fill out the application forms on EECA’s website outlining their plans for decarbonisation projects, and EECA assessed these against selection criteria. Refer to Items One – Four for relevant documents, which outline the application and selection process.

Because the Partnership with NZ Steel was a bespoke Partnership as part of the large emitters programme, they did not go through the same application and assessment process as other projects (except for the Fonterra Partnership, which was negotiated on a similar basis). This process was led by EECA’s Chief Executive at the time, Andrew Caseley. EECA worked with NZ Steel to understand their decarbonisation plans and received several documents in support of the negotiations for providing GIDI funding, including Business Case and wellbeing assessment. Refer to Items Five – Eight. Additionally, an application document was prepared by KPMG for EECA (refer to Item Nine). EECA went through a negotiation process based on all the information provided, and independent advice, to determine the scope of the project and required obligations including emissions reductions, as outlined in the final funding agreement (Item Ten).

Documents in scope

Item #	Document Title	Decision	Notes
1	GIDI Industrial Applicant Guide	Release in full	
2	GIDI Industrial Business Case Checklist	Release in full	
3	GIDI Industrial Assessment Template	Release in full	
4	Proposed GIDI Industrial Funding Agreement	Release in full	
5	NZ Steel – EAF – Draft Business Case	Withhold in full - 9(2)(b)(ii)	This was provided to EECA directly from NZ Steel.
6	NZ Steel Wellbeing Assessment	Release in full	This was provided to EECA directly from NZ Steel.
7	NZ Steel EAF Project Transition 20230203	Release in full	
8	NZ Steel Project Milestones EECA 20230208	Release in full	

9	NZ Steel GIDI Fund Application	Withhold in full - 9(2)(b)(ii)	This application was produced by KPMG for EECA to support consideration of the proposed project.
10	Partnership Funding Agreement	Release in part: - 9(2)(a) - 9(2)(b)(ii)	

Questions 11 & 12

This explanation is intended to cover questions 11 and 12. The details are included in the funding agreement (refer to Item Ten). The contract is for NZ Steel to build an Electric Arc Furnace by 2026, which will provide emissions reductions of 800,000 tonnes per year once operational, through displacing coal use in the steelmaking process.

Documents in scope

Item #	Document Title	Decision	Notes
10	Partnership Funding Agreement	Release in part: - 9(2)(a) - 9(2)(b)(ii)	