

To: **Hon Damien O'Connor, Minister for Land Information**  
**Hon Barbara Edmonds, Associate Minister of Finance**

## ASSESSMENT REPORT: **Genesis Energy Limited and FRV NZ1 Limited**

<b>Date</b>	21 September 2023	<b>Classification</b>	IN CONFIDENCE: Commercially sensitive
<b>LINZ reference</b> (Report reference)	202300319 (BRF 24-128)	<b>Deadline</b>	13 October 2023 in order to meet the commercial deadline of 22 October 2023

### Purpose

We seek your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (**Act**).

### Action sought

1. Review this report and consult with each other if desired.
2. Determine whether to grant consent and, if so, on what conditions.
3. Indicate your decision from page 3.

### Assessment timeframe requirements

4. A decision is required by 20 November 2023 to enable the decision to be communicated to the Applicants in compliance with the prescribed statutory assessment timeframe. However, the Applicants have a commercial deadline of 22 October 2023. Thus, we recommend a decision is made by 13 October 2023.

### Toitū Te Whenua Land Information New Zealand Contacts

Name	Position	Contact	First contact
Anneke Turton	Manager Applications	+6448302513	<input checked="" type="checkbox"/>
Ed Atienza	Senior Solicitor	+6444950472	<input type="checkbox"/>

## A. Summary

5. Genesis Energy Limited (**Genesis**) and FRV NZ1 Limited (**FRV NZ1**) (together, the **Applicants**) as partners in an unincorporated joint venture, the Solar-Gen JV, are seeking consent to lease approximately 93 hectares of farm land at 126 Lauriston Barrhill Road, Lauriston, Canterbury (**Land**) to develop, construct, and operate a solar farm (**Investment**).
6. For the reasons set out in this report, our recommendation is to **grant consent**.

### Key information

<b>Applicants</b>	<b>Genesis Energy Limited and FRV NZ1 Limited as partners in an unincorporated joint venture, the Solar-Gen JV</b> New Zealand (38%); Saudi Arabia (30.6%); Canada (29.4%); Various (2%)
<b>Vendor</b>	<b>HES Aotearoa Limited</b> United Kingdom (94.80%); New Zealand (5.00%); Various (0.20%)
<b>Landowners</b>	<b>Bernard John Daley and Canterbury Trustees (2012)</b> as registered owners of Record of Title CB25A/963 New Zealand (100%)  <b>Bernard John Daley, Nicola Anne Daley and Canterbury Trustees (2012) Limited</b> as registered owners of Record of Title CB33F/115 New Zealand (100%)
<b>Land</b>	Leasehold interest in approximately 93 hectares of land located at 126 Lauriston Barrhill Road, Lauriston, Canterbury, comprised in Record of Title CB25A/963 <sup>1</sup> and part comprised in Record of Title CB33F/115 <sup>2</sup>
<b>Consideration</b>	s.9(2)(b)(ii)
<b>Sensitivity</b>	Is more than 5 hectares of non-urban land
<b>Relevant tests</b>	Investor test: s18A and s16(1)(a) Benefit to New Zealand test – farm land benefit test s16A(1C), s16(1)(c) & s16A(1)(a) Farm land offer test: s16(1)(f) National interest test: s16(1)(g)

<sup>1</sup> The entire land area of the freehold title (32.3318 hectares more or less) is intended to be leased.

<sup>2</sup> Approximately 60.6682 hectares out of the total land area of the freehold title (114.3100 hectares) is intended to be leased.

<sup>3</sup> s.9(2)(b)(ii)

## Timing

7. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 100 working days. This application is currently on day 45, therefore a decision is due to the Applicants by 20 November 2023.
8. However, the Applicants have a commercial deadline of 22 October 2023. Thus, we recommend a decision is made by 13 October 2023.

## Potential perceived conflict of interest

9. This application raises a potential perceived conflict of interest because the Associate Minister of Finance will be deciding as a delegate of the Minister of Finance who, as will be shown below, is a shareholder of Genesis.
10. LINZ sought guidance from the Department of Prime Minister and Cabinet (DMPC) whether a transfer of responsibility<sup>4</sup> is appropriate. DMPC has advised that a transfer of responsibility is not required in this case unless LINZ considers that the decision is likely to be particularly controversial and/or there is a very real risk it will be subject to judicial review. LINZ does not consider any of these exist.
11. However, to avoid the potential conflict of interest, we recommend that the Associate Minister of Finance does not discuss this application with Minister of Finance.

## B. Decision

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### Core tests

12. I determine that:

- 12.1. The 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Genesis Energy Limited	Applicants and upstream owners of the acquiring entity
FRV NZ1 Limited	
Lauriston Solar Project Limited Partnership	Acquiring entity
Lauriston Solar ProjectCo Limited	General partner of Lauriston Solar Project Limited Partnership
Lauriston Solar HoldCo Limited	General partner of Lauriston Solar Hold Limited Partnership

- 12.2. The 'individuals with control of the relevant overseas person' are:

Individuals with control	Role
Barbara Joan CHAPMAN*	Directors of Genesis Energy Limited
Catherine Margaret DRAYTON*	
Warwick Ean HUNT*	
Timothy Marshall MILES*	

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<sup>4</sup> Where the Associate Minister of Finance will decide the application is her own right, and not as a delegate of the Minister of Finance.

Individuals with control	Role
James MOULDER*	
Hinerangi RAUMATI*	
Paul Alan ZEALAND*	
Craig Anthony BROWN	Member of the Management Committee of SolarGen joint venture (Management Committee)
Ravi DOGRA	Members of the Management Committee and directors of Lauriston Solar ProjectCo Limited and Lauriston Solar HoldCo Limited
Rebecca Anne LARKING*	
Alastair James SPENCE*	
Carlo Marco Luca FRIGERIO	Member of the Management Committee and director of Lauriston Solar ProjectCo Limited, Lauriston Solar HoldCo Limited, and FRV NZ1 Limited
John Michael THORNMAN <sup>5</sup>	Director of Lauriston Solar ProjectCo Limited and Lauriston Solar HoldCo Limited

12.3. None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.

13. I am satisfied that the investor test in section 18A has been met.

**Hon Damien O'Connor**

**Hon Barbara Edmonds**

Agree

Agree

Disagree

Disagree

14. I am satisfied, in relation to the benefit to New Zealand test, that:

14.1. the criteria for consent in sections 16 and 16A have been met;

14.2. the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);

14.3. the benefit is proportionate to the sensitivity of the land and the nature of the transaction;

14.4. the benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land; and

<sup>5</sup> Those with asterisk are New Zealand citizens and therefore do not need to meet the investor test (Section 18A(2) of the Act).

**Hon Damien O'Connor**

Agree

Disagree

**Hon Barbara Edmonds**

Agree

Disagree

15. I am satisfied, in relation to farm land advertising, that the Applicants are exempt from the criteria, as set out in the report.

**Hon Damien O'Connor**

Agree

Disagree

**Hon Barbara Edmonds**

Agree

Disagree

*National interest assessment*

16. The investment includes a transaction of national interest under section 20A because the transaction involves an investment by a non-NZ government investor.
17. I note that Associate Minister of Finance, Hon David Parker<sup>6</sup>, has not declined to this transaction on the basis that the transaction is contrary to New Zealand's national interest.

**Hon Damien O'Connor**

Noted

**Hon Barbara Edmonds**

Noted

*Decision about whether to grant or decline consent*

18. My ultimate decision is to:

**Hon Damien O'Connor**

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

**Hon Barbara Edmonds**

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

<sup>6</sup> Responsibility transferred by the Minister of Finance under section 7 of the Constitution Act 1986 and with the Prime Minister's agreement, as contained in the Minister of Finance's letter to Hon David Parker dated 13 September 2023.

Hon Damien O'Connor

Date: 8/10/23

Hon Barbara Edmonds

Date: / /

### C. Background and proposed transaction

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19. The Applicants have entered into an Agreement for Sale and Purchase (**Agreement**) with HES Aotearoa Limited (**HES**) for the purchase of rights and interests in certain solar assets, that includes an option to enter into a long-term lease with the Landowners.
20. Lauriston Solar Project Limited Partnership (**Lauriston Project LP**), a New Zealand registered limited partnership is the entity that will enter into the lease on behalf of Solar-Gen JV. Consent is required to enter into the lease.
21. The lease will have a maximum term of s.9(2)(b)(ii)<sup>7</sup>. On the expiration of the lease, the Land will revert back to the Landowners.
22. The Applicants were granted an exemption from the farm land offer criterion on 1 May 2023.<sup>8</sup>

#### Vendor

23. HES<sup>9</sup> is a New Zealand company ultimately owned by two UK-based solar farm development companies and a New Zealand citizen.<sup>10</sup> It plans on developing a pipeline of approximately 350MW of utility scale solar photo-voltaic across New Zealand.<sup>11</sup>
24. A key aspect of its business is to identify, acquire and develop solar farm assets to on-sell to purchasers who have interest in holding the solar farm assets for a longer term. The Vendor is selling the assets as part of its business model and in order to accelerate deployment of further projects in New Zealand.<sup>12</sup>

#### Land

25. The Land is approximately 93 hectares of farm land located at 126 Lauriston Barrhill Road, Lauriston, Canterbury. It is used for sheep grazing, wintering of dry stock, and

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<sup>7</sup> s.9(2)(b)(ii)

<sup>8</sup> Case number 202300032.

<sup>9</sup> HES is an overseas person under the Act

<sup>10</sup> Hive Ethical Project Developments Ltd UK, 50%), Solar South West Ltd (UK, 45%) and Duncan McKinlay (NZ, 5%).

<sup>11</sup> HES Aotearoa <[www.hesaotearoa.co.nz](http://www.hesaotearoa.co.nz)> Accessed 19 June 2023.

<sup>12</sup> HES has advised that it is not required to seek consent under the Act because the exercise of option to enter into a lease is conditional on consent under the Act and the option period does not meet the 10-year threshold in section 12(1)(a)(ii)(b) of the Act.

Individuals with control	Role
James MOULDER*	
Hinerangi RAUMATI*	
Paul Alan ZEALAND*	
Craig Anthony BROWN	Member of the Management Committee of SolarGen joint venture (Management Committee)
Ravi DOGRA	Members of the Management Committee and directors of Lauriston Solar ProjectCo Limited and Lauriston Solar HoldCo Limited
Rebecca Anne LARKING*	
Alastair James SPENCE*	
Carlo Marco Luca FRIGERIO	Member of the Management Committee and director of Lauriston Solar ProjectCo Limited, Lauriston Solar HoldCo Limited, and FRV NZ1 Limited
John Michael THORNMAN* <sup>5</sup>	Director of Lauriston Solar ProjectCo Limited and Lauriston Solar HoldCo Limited

12.3. None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.

13. I am satisfied that the investor test in section 18A has been met.

**Hon Damien O'Connor**

**Hon Barbara Edmonds**

Agree

Agree

Disagree

Disagree

14. I am satisfied, in relation to the benefit to New Zealand test, that:

14.1. the criteria for consent in sections 16 and 16A have been met;

14.2. the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);

14.3. the benefit is proportionate to the sensitivity of the land and the nature of the transaction;

14.4. the benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land; and

<sup>5</sup> Those with asterisk are New Zealand citizens and therefore do not need to meet the investor test (Section 18A(2) of the Act).

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

15. I am satisfied, in relation to farm land advertising, that the Applicants are exempt from the criteria, as set out in the report.

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

*National interest assessment*

16. The Investment includes a transaction of national interest under section 20A because the transaction involves an investment by a non-NZ government investor.

17. I note that Associate Minister of Finance, Hon David Parker<sup>6</sup>, has not declined to this transaction on the basis that the transaction is contrary to New Zealand's national interest.

Hon Damien O'Connor

Noted

Hon Barbara Edmonds

Noted

*Decision about whether to grant or decline consent*

18. My ultimate decision is to:

Hon Damien O'Connor

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

Hon Barbara Edmonds

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Grant consent with amended conditions provided on:

Decline consent

<sup>6</sup> Responsibility transferred by the Minister of Finance under section 7 of the Constitution Act 1986 and with the Prime Minister's agreement, as contained in the Minister of Finance's letter to Hon David Parker dated 13 September 2023.



Hon Damien O'Connor

Date: / /

Hon Barbara Edmonds

Date: 2 / 10 / 23

### **C. Background and proposed transaction**

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19. The Applicants have entered into an Agreement for Sale and Purchase (**Agreement**) with HES Aotearoa Limited (**HES**) for the purchase of rights and interests in certain solar assets, that includes an option to enter into a long-term lease with the Landowners.
20. Lauriston Solar Project Limited Partnership (**Lauriston Project LP**), a New Zealand registered limited partnership is the entity that will enter into the lease on behalf of Solar-Gen JV. Consent is required to enter into the lease.
21. The lease will have a maximum term of 40 years<sup>7</sup>. On the expiration of the lease, the Land will revert back to the Landowners.
22. The Applicants were granted an exemption from the farm land offer criterion on 1 May 2023.<sup>8</sup>

#### **Vendor**

23. HES<sup>9</sup> is a New Zealand company ultimately owned by two UK-based solar farm development companies and a New Zealand citizen.<sup>10</sup> It plans on developing a pipeline of approximately 350MW of utility scale solar photo-voltaic across New Zealand.<sup>11</sup>
24. A key aspect of its business is to identify, acquire and develop solar farm assets to on-sell to purchasers who have interest in holding the solar farm assets for a longer term. The Vendor is selling the assets as part of its business model and in order to accelerate deployment of further projects in New Zealand.<sup>12</sup>

#### **Land**

25. The Land is approximately 93 hectares of farm land located at 126 Lauriston Barrhill Road, Lauriston, Canterbury. It is used for sheep grazing, wintering of dry stock, and

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<sup>7</sup> 5 years intended for the construction of the solar farm and time buffer and 35 years equal to the expected life cycle of the solar panels.

<sup>8</sup> Case number 202300032.

<sup>9</sup> HES is an overseas person under the Act

<sup>10</sup> Hive Ethical Project Developments Ltd UK, 50%), Solar South West Ltd (UK, 45%) and Duncan McKinlay (NZ, 5%).

<sup>11</sup> HES Aotearoa <[www.hesaotearoa.co.nz](http://www.hesaotearoa.co.nz)> Accessed 19 June 2023.

<sup>12</sup> HES has advised that it is not required to seek consent under the Act because the exercise of option to enter into a lease is conditional on consent under the Act and the option period does not meet the 10-year threshold in section 12(1)(a)(ii)(b) of the Act.

cropping. The Land is a portion of the total area comprised in two records of title<sup>13</sup> and is outlined in red in the aerial photo below:



Figure 1 - Aerial photo of the Land

26. The Land is non-irrigated and has a land use classification of 2.<sup>14</sup>
27. Locality plan can be found in **Attachment 4**.

#### **D. Application of the Act**

28. The Land is sensitive because it is non-urban land over 5 hectares in size,<sup>15</sup> so consent is required.<sup>16</sup> The following criteria for an investment in sensitive land apply to this application:<sup>17</sup>
  - The investor test must be met.<sup>18</sup>
  - The benefit to New Zealand test must be met.<sup>19</sup>
  - The farm land must have been offered for sale on the open market<sup>20</sup>, unless exempt<sup>21</sup>.

<sup>13</sup> CB25A/963 and CB33F/115. These two records of title have a total area of 146.6416 ha, with 32.3318 hectares and 114.3100 hectares, respectively. It is intended that the entire area of CB25A/963 will be leased, and approximately 60.6682 hectares of CB33F/115 will be leased.

<sup>14</sup> Land Use Capability (LUC) class information provides general context as to the productive capacity and physical limitations of the Land. LUC 2 means that the land is arable, very good multiple-use land, slight limitations, suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.

<sup>15</sup> Table 1, Part 1, Schedule 1 of the Act.

<sup>16</sup> Under sections 10(1)(a) and 12(a)(i) of the Act.

<sup>17</sup> Set out in section 16(1) of the Act.

<sup>18</sup> Section 18A / 16(1)(a) of the Act.

<sup>19</sup> Section 16(1)(c)(ii). The alternative is the relevant overseas person or each of the individuals with control is a NZ citizen or resident, which is not applicable to the proposed investment.

<sup>20</sup> Section 16(1)(f) of the Act.

<sup>21</sup> Section 20(1)(a) or (b) of the Act.

- You must also note whether the Investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the investment is contrary to New Zealand's national interest.<sup>22</sup>

29. In order to satisfy the benefit to New Zealand test, the decision-maker must:

- determine that the overseas investment will, or is likely to, benefit NZ;<sup>23</sup> and
- determine that benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land<sup>24</sup> (unless the farm land benefit test is disappplied<sup>25</sup>).

30. We assess the investor test in **Part E**, the benefit to New Zealand test in **Part F**, the farm land offer test in **Part G**, and discuss national interest matters in **Part H**.

## **E. Applicant and investor test**

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31. This section describes the Applicants and assesses whether the investor test is met.

### **Business Activities**

#### *Lauriston Project LP*

32. Lauriston Project LP was formed by Solar-Gen JV to be the project vehicle to develop, construct and operate the solar farm on the Land.

#### *Solar-Gen FV*

33. Solar-Gen JV was formed to identify and develop renewable energy projects in New Zealand, specifically grid or network-connected solar farms<sup>26</sup> with capacity of at least 20MW.

#### *Genesis*

34. Genesis is a New Zealand company and an energy provider which has been operating in New Zealand for 25 years. It has more than 650,000 residential and business customers nationwide.<sup>27</sup>

35. This solar farm is part of Genesis's broader programme called 'Future-Gen Strategy'. The programme is focused on developing 2,650 GWh<sup>28</sup> of new renewable generation by 2030; removing at least 1.2m tonnes of carbon emissions by 2025, and developing up to 500 MW of solar energy over the next few years.

#### *FRV NZ1*

36. FRV NZ1 is a New Zealand company related to FRV Australia, a solar developer, asset owner and renewable energy platform in Australia. The Applicants state that FRV Australia was the first company to deliver a project-financed large scale solar farm in Australia operating since August 2014. In Australia, the company has developed

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<sup>22</sup> Section 16(1)(g) of the Act.

<sup>23</sup> Section 16A(1)(a) of the Act.

<sup>24</sup> Section 16A(1C)(b) of the Act. This criterion applies because the Land is farm land over 5 hectares in size.

<sup>25</sup> Section 16A(1D) of the Act.

<sup>26</sup> Photovoltaic systems are connected to the local electricity lines system (that is, 'grid connected'), as opposed to stand-alone (that is, not connected to a grid or network).

<sup>27</sup> Genesis <https://www.genesisenergy.co.nz/about> Accessed 26 August 2023.

<sup>28</sup> Gigawatt hours.

almost 800MWdc of solar assets across nine projects for a total project investment value of over AUD1 billion.

37. FRV Australia in turn is part of the FRV<sup>29</sup> Group, a group of companies headquartered in Spain and involved in developing utility-scale renewable energy solutions. FRV Group has more than 50 plants across 4 continents, including solar power plants in Spain, Italy, USA, Australia, Uruguay and Mexico.

## Ownership

### *Lauriston Project LP*

38. The entire partnership interests in Lauriston LP are wholly held by Lauriston Solar Hold Limited Partnership (**Lauriston Hold LP**), as New Zealand registered limited partnership.
39. Lauriston Hold LP partnership interests are held 60% by FRV NZ1 and 40% by Genesis, through its 100% subsidiary Lauriston Solar Venture Limited, a New Zealand registered company<sup>30</sup>.

### *Solar-Gen JV*

40. Solar-Gen JV is a joint-venture between Genesis (60% ownership) and FRV NZ1 (40%).

### *Genesis*

41. Genesis is a 100% New Zealand owned company<sup>31</sup> with shares listed on the NZX.
42. The New Zealand Government (via the Minister of Finance and the Minister for State-Owned Enterprises) holds 51.23% of its shares. The remaining 48.77% is widely held by a mix of shareholders, with no shareholder other than the New Zealand Government holding more than 5% of the shares.

### *FRV NZ1*

43. FRV NZ1 is ultimately beneficially owned by:
- Members of s.9(2)(a) from Saudi Arabia<sup>32</sup> (51%); and
  - OMERS Furphy Parent B.V. (49%).<sup>33</sup>
44. s.9(2)(a) has businesses in the transportation, engineering and manufacturing, financial services, land a real estate, energy and environmental services and health.
45. OMERS Furphy Parent B.V. is ultimately owned by Ontario Municipal Employees Retirement System (**OMERS**) Administration Corporation, a statutory Canadian corporation that provides pension administration and investments services for OMERS, a Canadian public pension fund for municipal employees of Ontario, Canada.
46. Therefore, the following are the ultimate beneficial owners of Solar-Gen JV:

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<sup>29</sup> FRV stands for Fotowatio Renewable Ventures.

<sup>30</sup> Company number 8874691.

<sup>31</sup> As contained in the application dated 9 May 2023.

<sup>32</sup> s.9(2)(a)

<sup>33</sup> Company structure diagrams for FRV NZ1 as well as the transaction structure are included in Attachment 2.

Beneficial Owner	Percentage of Ownership
OMERS Administration Corporation	29.4%
Members of s.9(2)(a)	26.3%
New Zealand Government through the Minister of Finance and the Minister for State Owned Enterprises	20.5%
Others (Various other shareholders each holding less than 5%, predominantly comprising New Zealand-based shareholders of Genesis)	23.8%
<b>Total</b>	<b>100%</b>

47. A diagram of the proposed transaction structure is in **Attachment 2**.

### Control

48. Lauriston Project LP acts through its general partner, Lauriston Solar ProjectCo Limited (**Lauriston Project GP**), a New Zealand registered company.<sup>35</sup>
49. Lauriston Hold LP acts through its general partner, Lauriston Solar HoldCo Limited (**Lauriston Hold GP**), a New Zealand registered company.<sup>36</sup>
50. Genesis, FRV NZ1, Lauriston Project GP and Lauriston Hold GP are governed by their respective boards of directors.
51. Solar-Gen JV is controlled by its management committee. The management committee approved the Investment.
52. Depending on the value of assets, either Lauriston Hold GP or Lauriston Project GP can approve the transfer of assets. Lauriston Project GP will be responsible for the day-to-day management of the Investment.
53. Lauriston Hold GP is responsible for significant changes in the budget, workplan and liabilities of Lauriston Project LP.

### Relevant overseas person and individuals with control

54. We recommend that the 'relevant overseas person' is collectively:

Relevant overseas person	Role
Genesis Energy Limited	Applicants and upstream owners of the acquiring entity
FRV NZ1 Limited	
Lauriston Solar Project Limited Partnership	Acquiring entity
Lauriston Solar ProjectCo Limited	General partner of Lauriston Solar Project Limited Partnership
Lauriston Solar HoldCo Limited	General partner of Lauriston Solar Hold Limited Partnership

<sup>34</sup> s.9(2)(a)

<sup>35</sup> Company number 8875630.

<sup>36</sup> Company number 8875449.

55. We recommend that the 'individuals with control of the relevant overseas person'<sup>37</sup> are:

Individuals with control	Role
Barbara Joan CHAPMAN*	Directors of Genesis Energy Limited
Catherine Margaret DRAYTON*	
Warwick Ean HUNT*	
Timothy Marshall MILES*	
James MOULDER*	
Hinerangi RAUMATI*	
Paul Alan ZEALAND*	
Craig Anthony BROWN	Member of the Management Committee of SolarGen joint venture (Management Committee)
Ravi DOGRA	Members of the Management Committee and directors of Lauriston Solar ProjectCo Limited and Lauriston Solar HoldCo Limited
Rebecca Anne LARKING*	
Alastair James SPENCE*	
Carlo Marco Luca FRIGERIO	Member of the Management Committee and director of Lauriston Solar ProjectCo Limited, Lauriston Solar HoldCo Limited, and FRV NZ1 Limited
John Michael THORNMAN*	Director of Lauriston Solar ProjectCo Limited and Lauriston Solar HoldCo Limited

#### Summary of investor test

56. Those with asterisk are New Zealand citizens and therefore do not need to meet the investor test.<sup>38</sup> The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
57. For this reason, our conclusion is that **the investor test has been met.**

#### F. Investment plan and benefit to NZ test

58. This section describes the Investment and our assessment of whether it is likely to meet the benefit criteria in the Act.

#### Investment plan

59. The Applicants intend to develop, construct and operate a solar farm on the Land. The solar farm will have approximately 80,000 solar panels with an installed capacity of 52

<sup>37</sup> Section 15 of the Act.

<sup>38</sup> Section 18A(2) of the Act.

MW. It is expected to generate around 80 gigawatt hours (GWh) of renewable electricity annually – enough to power approximately 10,000 houses.

60. The solar farm will be connected to Electric Ashburton Network's (EA)<sup>39</sup> Lauriston zone substation. The Ashburton District Council has already granted a land use consent to HES.<sup>40</sup>
61. The Applicants will allow sheep grazing under the solar panels, covering approximately 74 hectares of the Land. Approximately 15 hectares of the Land will have solar panels with no grazing occurring.
62. The solar farm will be constructed within 13 months from the completion of the transaction (**construction phase**). It is expected to start operating by the end of 2024, for a period of 35 years.
63. The Applicants intend to spend approximately NZD84 million<sup>41</sup> during the construction phase.<sup>42</sup>
64. The Applicant submits they will engage approximately 50 contractors during the construction phase of the solar farm. The investment will also require the creation of two to three permanent FTEs to operate the solar farm.

#### **Current state (counterfactual)**

65. At the time the Agreement was signed, the Land was used for sheep grazing, wintering of dry stock, and cropping. The Land had:
  - a. 365 calves (not exported, but for breeding stocks only) for 4 months;
  - b. 700 lambs for 6 weeks in the winter;
  - c. 63 hectares planted in peas and barley (grown for local feed and malt barley); and
  - d. 27 hectares used for silage/hay.
66. The Land supported one FTE, plus 0.5 FTE for 6 weeks for grazing. During harvest time, a contractor is engaged for a period of two weeks.
67. No export receipts are generated from the Land.

#### **Farm land benefit test**

68. The Investment involves the acquisition of farm land exceeding 5 hectares in area. As a result, the farm land benefit test applies unless you decide it need not be met for one of the reasons set out in the Act.<sup>43</sup>

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<sup>39</sup> EA is a locally owned co-operative network company, that owns and operates Mid Canterbury's electricity distribution network.

<sup>40</sup> Granted on 25 February 2022 (LUC21/0134).

<sup>41</sup> s.9(2)(b)(ii)

<sup>42</sup> s.9(2)(b)(ii)

<sup>43</sup> Section 16A(1C)–(1O). You may decide not to apply the farm land benefit test if: the transaction is minor or technical; the transaction does not materially change the level of ownership or control that the relevant overseas person has over the asset; or the farm land has no or limited productive capacity as farm land and will, or is likely to, be used promptly, as a result of the overseas investment, for industrial or commercial development (for example, a supermarket) or for the construction of 1 or more buildings that, taken together, will consist of 20 or more new residential dwellings.

69. Accordingly, as required by the Act, we have treated the following factors as having high relative importance:<sup>44</sup>
- the economic benefits factor (section 17(1)(a)) and, in particular, the creation or retention of jobs, introduction of technology or business skills, increased export receipts, and increased processing of primary products; and
  - the oversight or participation factor (section 17(1)(f)).
70. For the farm land benefit test to be met, the Applicants must demonstrate, in relation to one or more of those factors of high relative importance, that the benefits of the Investment are of a size or nature that represent a substantial benefit to New Zealand.

### Assessment of key benefits

71. Given the Applicants<sup>45</sup> financial ability to undertake the Investment, we consider that the solar farm is likely to go ahead.
72. The Investment will result in the increase of energy supply to the national grid. It is likely to result in advancement of government's climate change and renewable energy policies. It is likely to result in economic benefits, including the creation of jobs and additional capital investment of NZD84 million.<sup>46</sup>

### Summary of benefits

73. The benefits to New Zealand that are likely to result from the Investment and our assessment of the relative weight to be given to each are set out in the table below.
74. Factors that we considered were either not relevant to the Investment, or the benefit to New Zealand was not sufficient to be relied on, are noted in **Attachment 3**.
75. In applying the benefit to New Zealand criteria, you are required to consider each of the benefit factors, decide which of them are relevant and determine the relative importance of those relevant factors. The weight and relative importance to be given to each factor is a matter to be determined by you as the decision-maker (except where the farm land benefit test requires a factor to be given high relative importance). This report sets out our assessment to guide your consideration, however it is not determinative.

### Summary assessment: benefit to NZ test

76. This table assesses the benefits to New Zealand likely to result from the Investment and the relative weight to be given to each.

<b>Relevant Benefit factor</b>	<b>Economic Factor (High Relative Importance)</b>
<b>Indicative Strength</b>	<b>Strong</b>
<b>Proposed special conditions</b>	Expend at least NZD75 million for the construction of the solar farm by 30 November 2025. Create two permanent FTEs by 30 November 2025.

<sup>44</sup> Section 16A(1C)(a).

<sup>45</sup> Specifically, Genesis and the FRV Group, to which applicant FRV NZ1 is a part of.

<sup>46</sup> Excludes the purchase price of **s. 9(2)(b)(i)**.



	Enter into an agreement with the Landowner or any third party for the grazing of 74ha of the Land by 30 November 2027 and allow sheep grazing at all times thereafter.	
<b>Claimed benefit</b>	<b>Capital Investment</b>	
	<b>Applicant's claims: what they intend to do</b>	<b>Current state</b>
	Expend at least NZD84 million for the construction of the solar farm.	No current investment.
<b>LINZ analysis</b>	The construction expenditure is likely to benefit New Zealand's economy. The likelihood that this spending will occur is high because it relates to the construction of the solar farm.	
<b>Claimed benefit</b>	<b>Jobs</b>	
	<b>Applicant's claims: what they intend to do</b>	<b>Current state</b>
	Create 50 temporary FTEs for thirteen months during the construction of the solar farm.  Create two to three permanent FTEs for the operation of the solar farm.	One FTE and an additional 0.5FTE for six weeks, which will remain with the grazing.
<b>LINZ analysis</b>	We consider that the Investment is likely to result in the creation of additional jobs for the construction of, and ongoing operation of the solar farm.	
<b>Claimed benefit</b>	<b>Increase in electricity network productivity – better energy security</b>	
	<b>Applicant's claims: what they intend to do</b>	<b>Current state</b>
	Add an estimated 80 GWh per annum of power generation to the national grid by late 2024 that can power 10,000 homes annually.	Used solely as a farm.
<b>LINZ analysis</b>	It appears likely that the additional electricity generated will improve electricity network productivity, resulting in better energy security. The reliability of electricity supply will be improved. Approximately 108 homes will be powered per hectare of land leased.	
	<b>More productive use of the Land</b>	

<b>Claimed benefit</b>	<b>Applicant's claims: what they intend to do</b>	<b>Current state</b>
	Have dual purpose for the 74 hectares area of the Land by allow grazing the under the solar panels.	No dual use.
<b>LINZ analysis</b>	By allowing grazing on 80% of the Land, we expect that the Investment is likely to result in increased productivity of the Land by virtue of this dual use. Part of the Land will be simultaneously used for energy generation and for grazing.	

<b>Relevant Benefit factor</b>	<b>Significant government policy</b>	
<b>Indicative Strength</b>	Strong	
<b>Proposed special conditions</b>	Develop, construct and operate a solar farm on the Land by 30 November 2025.	
<b>Claimed benefit</b>	<b>Promote Government Renewable Energy Policies</b>	
	<b>Applicant's claims: what they intend to do</b>	<b>Current state</b>
	Give effect to or advance government's renewable energy policies by adding an estimated 80 GWh per annum of power generation, created through solar power, which is a form of renewable electricity.	Not applicable.
<b>LINZ analysis</b>	<p>We consider that the Investment is likely to advance New Zealand's aim to achieve 100% renewable electricity by 2030, to have 50% of total energy consumption coming from renewable sources by 2035, and to transition to a carbon-neutral economy by 2050.</p> <p>The Investment will advance the government's National Policy Statement for Renewable Electricity Generation 2011 and the New Zealand's first emissions reduction plan 2022.</p>	

<b>Relevant Benefit factor</b>	<b>Environmental Factor</b>	
<b>Indicative Strength</b>	<b>Weak</b>	
<b>Proposed special conditions</b>	None	
<b>Claimed benefit</b>	<b>Establishment of native vegetation</b>	
	<b>Applicant's claims: what they intend to do</b>	<b>Current state</b>
	Plant native vegetation on the perimeter of the solar power site of about 5,000sqm	No native vegetation.
<b>LINZ analysis</b>	We consider the benefits of native vegetation to be minimal. The purpose of planting native vegetation is related to the operation of the solar farm, which for visual screening and to act as shelterbelt.	

### Consultation and submissions about the investment

77. No consultations and third-party submissions were sought or received in relation to this application.

### Conclusion – benefit to NZ test

#### *Key benefits*

78. After considering the application, we are satisfied that the Investment is likely to result in the benefits considered above. In particular, it is likely to result in advancement of the Government's climate change and renewable energy policies. It is likely to result in economic benefits arising directly or indirectly from the Investment, including:

- a. Creation of one to two FTEs;
- b. Additional capital investment of NZD84 million<sup>47</sup>; and
- c. Improvement in productivity through the dual use of generation of energy and grazing on part of the Land.

79. The Investment is also likely to advance New Zealand's aim to achieve 100% renewable electricity by 2030, to have 50% of total energy consumption coming from renewable sources by 2035, and to transition to a carbon-neutral economy by 2050. The Investment is likely to advance government's renewable energy policies.

#### *Proportionality*

80. We have undertaken our assessment having regard to the sensitivity of the Land and the nature of the Investment, reflecting the proportional nature of the benefit to New Zealand test.

<sup>47</sup> Excludes the purchase price of s.9(2)(b)(ii).

81. Considering the size of the Land and the leasehold investment (suggesting proportionately lower benefits may be sufficient), the counterfactual use (being sheep grazing, wintering of dry stock, and cropping) and the resulting expenditure and advancement of significant Government policy that will likely result from the Investment, we consider that the Investment is likely to benefit New Zealand.

#### *Farm land benefit test*

82. In relation to the farm land benefit test, the benefits are likely to be substantial in relation to one or more factors of high relative importance, being the economic benefit factor and the oversight and participation by New Zealanders factor. To satisfy this test, one or both of these factors need to be of a size or nature that represent a substantial benefit to New Zealand.
83. We consider the level of benefit under the economic factor is substantial, particularly when considering the likely benefit resulting from the capital investment relating to the Investment. **The modified benefit test for farm land is therefore met.**

### **G. Farm land offer test**

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84. The Applicants were granted an exemption from the farm land offer criterion on 1 May 2023. **We are therefore satisfied the transaction is exempt from the farm land offer requirement.**

### **H. A transaction of national interest**

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85. The Investment is a transaction of national interest under the mandatory criteria in the Act.<sup>46</sup> This is because the Investment involves a non-NZ government investor.<sup>49</sup> Specifically, the Lauriston Project LP<sup>50</sup> will be ultimately partly owned by a statutory Canadian corporation.
86. Associate Minister of Finance Hon David Parker has not declined to this transaction on the basis that the transaction is contrary to New Zealand's national interest.

### **I. Conclusion**

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87. After considering the application, our view is that:
- the investor test has been met; and
  - the Investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders); and
  - the benefit is proportionate to the sensitivity of the Land and the nature of the transaction; and
  - the benefit will be, or is likely to be, substantial and identifiable; and
  - the land is exempt from the farm land offer test; and
  - the transaction is considered to be a transaction of national interest.
88. Our recommendation is to **grant consent**.

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<sup>46</sup> Section 20A of the Act.

<sup>49</sup> As defined in section 6 of the Act.

<sup>50</sup> And therefore the assets.

89. If you agree, we refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page 3 of this Assessment Report to record your decision.

*Anneke*

Anneke Turton  
Manager, Applications  
**Overseas Investment - LINZ**

Date: 21/09/2023

## **J. List of Attachments**

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1. Proposed Decision
2. Proposed transaction structure and ownership structure of FRV NZ1
3. Other benefit factors
4. Location Map

## ATTACHMENT 1 – PROPOSED DECISION

### Consent for Overseas Person to Acquire Sensitive New Zealand Land

Read this consent carefully - you must comply with all the conditions. If you do not, you may be required to dispose of the land and/or be subject to fines or other penalties.

#### Consent

Decision date: [date]

The following people have been given the following consent:

<b>Case</b>	202300319
<b>Consent</b>	Consent holder may acquire the Land subject to the Conditions set out below.
<b>Consent holder</b>	Lauriston Solar Project Limited Partnership [Partnership number XXX] We will also refer to the Consent holder as <b>you</b> .
<b>Land</b>	Leasehold Interest in approximately 93 hectares of land located at 126 Lauriston Barrhill Road, Lauriston, Canterbury, comprised in Record of Title CB25A/963 and part comprised in Record of Title CB33F/115
<b>Leasehold Interest</b>	Lease of s.9(2)(b)(ii) [redacted], from the time you acquire the Land.
<b>Timeframe</b>	You have until 30 November 2024 to acquire the Land.

## Conditions

Your Consent is subject to the Special conditions, Standard conditions and Reporting conditions (Conditions) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions you may be subject to fines or other penalties, and you may also be required to dispose of the Land.

In the Consent and the Conditions, we refer to Toitū Te Whenua Land Information New Zealand as **LINZ, us, regulator** or **we**.

**Act** means the Overseas Investment Act 2005.

**Solar Farm** means the grid or network-connected solar photo-voltaic farm with an approximately installed capacity of 52 MW to be developed, constructed and operated on the Land.

## Special conditions

You must comply with the following **special conditions**. These apply specifically to this Consent and were considerations that particularly influenced us to give consent:

Details	Required date
<b>Automatic condition: National Interest</b>	
You must not, in relation to the Land, act or omit to act with a purpose or an intention of adversely affecting national security or public order	At all times
<b>Special condition 1: Develop, construct and operate a solar farm</b>	
<p>You must:</p> <ul style="list-style-type: none"><li>a. develop, construct and operate a solar farm on the Land.</li><li>b. expend at least \$75 million on the construction of the solar farm.</li><li>c. use, or continue to use, the Land exclusively or nearly exclusively (and subject to Special Condition 3) for the operation of the solar farm for the purposes of electricity generation.</li></ul> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of your interest in the Land.</p>	<ul style="list-style-type: none"><li>a. By 30 November 2025</li><li>b. By 30 November 2025</li><li>c. At all times following practical completion of the Solar Farm</li></ul>
<b>Special condition 2: Job creation</b>	
You must procure that equivalent of 2 permanent FTE positions are engaged for the operation of the solar farm.	By 30 November 2025
<b>Special condition 3: Allow grazing</b>	
You must enter into an agreement with the registered owner of the Land or any third party for the grazing of 74ha of the Land, and allow sheep to be grazed on the Land in accordance with that agreement.	By 30 November 2027

## Standard conditions

You must also comply with the **standard conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive New Zealand land, including you:

Details	Required date
<b>Standard condition 1: Acquire the Land</b>	
<p>You must acquire the Land:</p> <ol style="list-style-type: none"><li>by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and</li><li>using the acquisition, ownership, and control structure you described in your application. Note, only you - the named Consent Holder - may acquire the Land, not your subsidiary, trust, or other entity.</li></ol>	As stated in the Consent
<b>Standard condition 2: Tell us when you acquire the Land</b>	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none"><li>the date you acquired the Land (<b>Settlement</b>),</li><li>consideration paid (plus GST if any),</li><li>the structure by which the acquisition was made and who acquired the Land, and</li><li>copies of any transfer documents and Settlement statements.</li></ol>	As soon as you can, and no later than two months after Settlement
<b>Standard condition 3: Allow us to inspect the Land</b>	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions. We will give you at least two weeks' written notice if we want to do this. You must then:</p> <ol style="list-style-type: none"><li>Allow a person we appoint (<b>Inspector</b>) to:<ol style="list-style-type: none"><li>enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (<b>Inspection</b>),</li><li>remain there as long as is reasonably required to conduct the inspection,</li><li>gather information,</li></ol></li></ol>	At all times



Details	Required date
<p>d. conduct surveys, inquiries, tests, and measurements,</p> <p>e. take photographs and video records, and</p> <p>f. do all other things reasonably necessary to carry out the Inspection.</p> <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <p>a. directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection,</p> <p>b. being available, or requiring your employees, agents, tenants, or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required.</p> <p>During an Inspection:</p> <p>a. we will not compel you and your employees, agents, tenants, or other occupiers to answer our questions or to let us look at, copy or take away documents,</p> <p>b. our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection.</p>	
<b>Standard condition 4: Remain not unsuitable to Invest in New Zealand</b>	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets in accordance with section 18A(1) of the Act.</p> <p>The <b>Individuals Who Control You</b> are individuals who:</p> <p>a. are members of your governing body</p> <p>b. directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and</p> <p>c. are members of the governing body of the people referred to in paragraph (b) above.</p>	<p>At all times</p>
<b>Standard condition 5: Tell us about changes that affect you, the people who control you, or people you control</b>	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p>	<p>Within 20 working days after the change</p>

Details	Required date
<ol style="list-style-type: none"> <li>1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act.</li> <li>2. You cease to be an overseas person or dispose of all or any part of the Asset.</li> <li>3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you.</li> </ol>	
<p><b>Standard condition 6: Dispose of your leasehold interest in the Land if you do not comply with key special conditions</b></p>	
<p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that special condition. If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of your leasehold interest in the Land. We will give you written notice if we require you to dispose of your leasehold interest in the Land. After we have given you notice, you must:</p>	
<p><b>Dispose of the interest in Land:</b> dispose of your leasehold interest in the Land to a third party who is not your associate.</p>	<p>Within six months of our notice</p>
<p><b>Report disposal to us:</b> send us, in writing, evidence of the following:</p> <ol style="list-style-type: none"> <li>a. that you have disposed of your leasehold interest in the Land, and</li> <li>b. that the purchaser is not your associate.</li> </ol>	<p>Within one month after your leasehold interest in the Land has been disposed of</p>

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## Reporting conditions

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We need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Settlement reporting (as set out in Standard Condition 2), you must provide LINZ with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) by these dates:
  - a. 30 December 2024
  - b. 30 December 2025
  - c. 30 December 2027
2. contain information about your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions).
3. follow the format of the template annual report published on our website.

If requested in writing by LINZ, the Consent Holder must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

- a. the representations and plans made or submitted in support of the application and notified by us as having been taken into account when the Consent was granted, or
- b. the conditions of this Consent.

### **Power to vary reporting date**

The dates on which reports are due to be provided may be changed by agreement between the regulator and the consent holder, provided that this power may not be used to give a time extension for an individual report.

### **Power to narrow scope of reports**

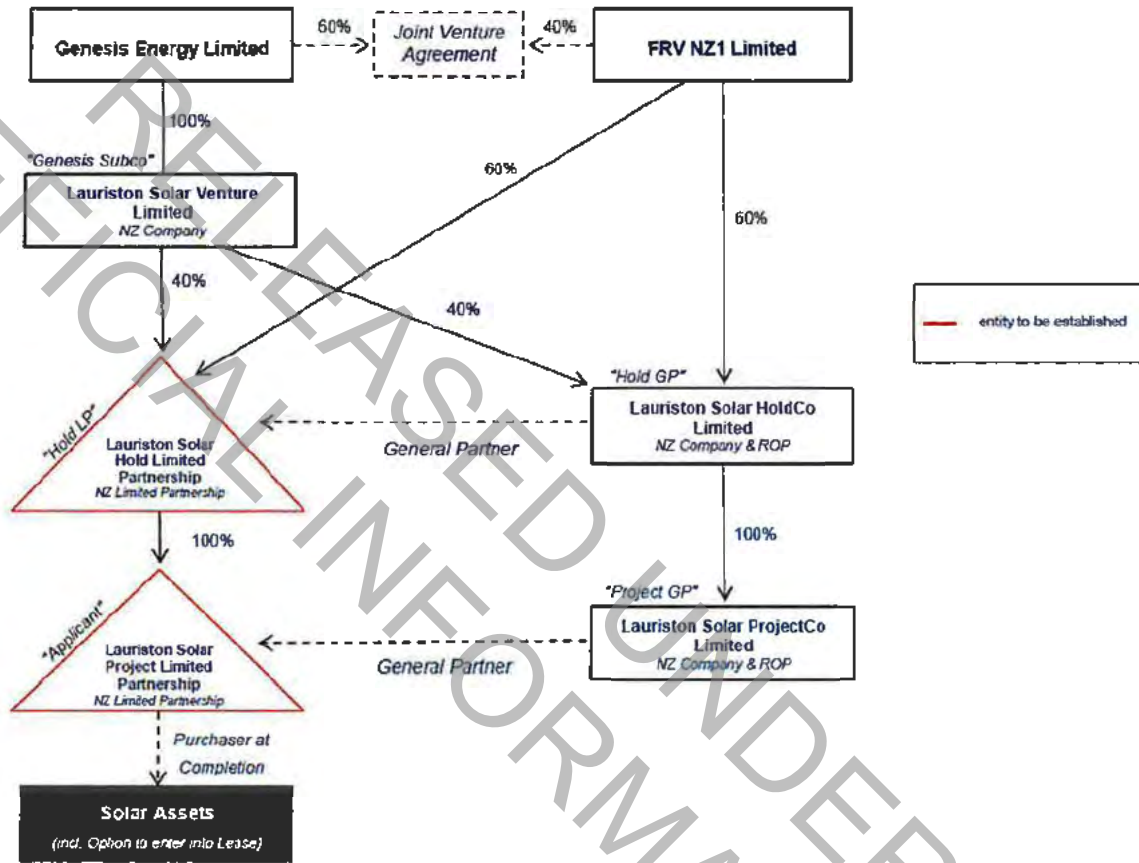
The regulator may temporarily or permanently waive the requirement to report on a particular matter.

### **Power not to require further reporting**

The regulator may waive the requirement to submit a report and may waive the requirement for future reporting.

## ATTACHMENT 2 – PROPOSED TRANSACTION STRUCTURE AND OWNERSHIP STRUCTURE OF FRV NZ1

**Lauriston Solar Farm - Proposed Transaction Structure**  
(as at 4 September 2023)



s.9(2)(b)(ii)

**LEGAL STRUCTURE**

FRV NZ1 LIMITED

(AS OF 03 July 2023)

s.9(2)(b)(ii)

OFFICIAL INFORMATION ACT  
RELEASED UNDER THE OFFICIAL INFORMATION ACT



**s.9(2)(b)(ii)**

OMERS Furphy  
Parent B.V.

**s.9(2)(b)(ii)**

49%

OMERS  
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Limited

OFFICIALLY RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

### **ATTACHMENT 3 – OTHER BENEFIT FACTORS**

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The table below lists other factors in the Act for assessing the benefit of overseas investments.

We considered that the factors below were either not relevant to the investment, or the benefit to New Zealand was not likely or sufficient to be relied on for the purposes of our assessment.

<b>Factor</b>	<b>Reason not relevant or insufficient</b>
<b>Public access</b>	<b>Not relevant</b> No benefit claimed and no access being granted.
<b>Historic heritage</b>	<b>Not relevant</b> No historic heritage sites.
<b>Oversight and Participation of New Zealanders</b>	<b>Not relevant</b>
<b>Consequential benefits</b>	<b>Insufficient</b> Benefits claimed are covered by other benefit factors.

## ATTACHMENT 4 – LOCATION MAP

