

**-OFFICE OF THE MINISTER
OF ENERGY**

The Chair
CABINET POLICY COMMITTEE

DEVELOPING A NEW ZEALAND ENERGY STRATEGY - TERMS OF REFERENCE

PROPOSAL

- 1 This paper constitutes the core of the terms of reference to guide the development of the New Zealand Energy Strategy. It sets out the purpose, rationale, and expectations of the strategy. It also outlines the proposed approach, the whole-of-government process, stakeholder engagement, and integration with concurrent processes. Appendices to this paper outline the potential scope and timeline for developing the strategy (including the alignment of key development phases with the replacement National Energy Efficiency and Conservation Strategy).

EXECUTIVE SUMMARY

- 2 Energy policy is being given heightened consideration worldwide due to dramatic price increases, potential future constraints on fuel supplies and widespread acknowledgement of the threat that climate change poses. Energy has an essential role in modern societies for underpinning welfare and economic performance. As a consequence energy is one of the most important issues facing the world. New Zealand is no exception.
- 3 The government announced it would develop a New Zealand Energy Strategy to provide long-term direction and leadership to put New Zealand firmly on the path to an energy system that supports economic development, while being environmentally responsible. The government also emphasised renewed commitment to promoting energy efficiency and renewable sources of energy.
- 4 This work follows the document, *Sustainable Energy*, which framed the key challenges for New Zealand's energy future and formed the basis for discussion with stakeholders. It also established the government's key objectives for a reliable, environmentally responsible and fair and efficiently priced energy sector, including energy use.
- 5 The principal challenge is to strike an appropriate balance between flexibility around the various options and the direction needed to provide a reasonable level of certainty that objectives will be met. To do this the strategy will focus on some key questions to identify the strategic directions and priorities in the face of uncertain future events and developments. The strategy will consider issues across a range of future energy scenarios to establish long-term policy goals and guiding principles for decisions about the various energy options. For example:

- a To what extent can New Zealand reduce its dependency on oil (or fossil fuels) by 2030?
- b Whether non-transport energy should be 100% renewable or carbon neutral over the long term?
- c What is the scope to reduce primary energy demand by 2030 while meeting the needs of a growing economy?
- d To what extent can renewable (stationary and transport) energy meet primary energy demands by 2030?
- e What role should coal play in the transition to more sustainable energy sources?
- f What are the pros and cons of different options to fill an indigenous gas supply gap and what if any are the dynamic implications of such choices for New Zealand's domestic oil and gas exploration over time?
- 6 Due to the inter-linkages with the development of climate change policy and the replacement NEECS the development of a New Zealand Energy Strategy is a whole of government process led by the Ministry of Economic Development. The key development phases of the NZES and NEECS will be coordinated to the extent practicable. A system-wide perspective is needed to take account of the cross-links between energy policy objectives and those of other policy processes, including climate change, and also to clearly identify how the New Zealand Energy Strategy fits in relation to other strategic frameworks.
- 7 This paper emphasises that an inclusive, robust and transparent engagement process with stakeholders throughout the development of the strategy is critical to achieving an enduring long-term vision which has the desired level of acceptance among the public. It is desirable that this paper is publicly released.

INTRODUCTION

- 8 In the Speech from the Throne last year, the government announced it would explore various energy scenarios to develop a New Zealand Energy Strategy. In addition, the address stated that "Priority will be given to renewable energy sources." and that "A more aggressive approach will be taken with respect to energy efficiency....".

PURPOSE OF A NEW ZEALAND ENERGY STRATEGY

- 9 A New Zealand Energy Strategy is needed to provide government leadership for the energy sector to respond to long-term challenges of energy security and climate change.¹ The energy options and environmental constraints we face in the years ahead make for complex decision-making. Nonetheless, the long lead times for making significant changes in the production and use of energy mean

¹ Energy security in this context encompasses tighter supply/demand balances such as peak oil and gas supply, potential for oil supply disruptions, dry hydro years, and lack of sufficient investment in energy infrastructure.

that concerted action must be taken soon to effectively manage risks and seize opportunities. Decisions made, or avoided, in the next few years will have effects for decades.

- 10 To assist forward looking investors the strategy will need to account for key challenges and set the direction for the future evolution of New Zealand's energy sector. In doing so the strategy will establish long-term policy intentions and guiding principles for decisions about the various energy options. This will help identify key areas where investment is needed and also increase the coordination of actions made across the energy sector. In this way the strategy will provide consistent guidance for energy decisions over time and the cumulative impact of these will facilitate the transition to a more sustainable energy future.

RATIONALE

- 11 The government's objectives are to create an energy system that is reliable and resilient, environmentally responsible and is priced as fairly and efficiently as possible.² These represent the vital role of energy in a modern society for underpinning welfare and economic transformation. Over the past six years the government has implemented a wide range of energy policy initiatives to support the foundations for open and competitive energy markets, manage security of supply and to promote energy efficiency and renewable sources of energy.
- 12 In 2004 the Minister of Energy released the report *Sustainable Energy* setting out the longer-term challenges for the secure, affordable and sustainable delivery of energy services.³ Officials convened several workshops to discuss the direction and ideas in the document with stakeholders. There was general agreement that it will be an ongoing challenge to balance the high level objectives given New Zealand's current energy demand and supply patterns, likely future energy requirements and environmental constraints. The key issues included:
- a Security of supply issues including:
 - i Energy supply availability (e.g. post-Maui gas, imported vs domestic sources, peak production in conventional oil resources and energy resource discoveries);
 - ii Investment in capacity to deliver energy services;
 - b Impacts of higher energy prices on industry and consequences for New Zealand's international competitiveness; and
 - c Impacts of energy production, distribution and use on both climate change and local environments.

² In terms of reliability and resilience, a standard has been set for electricity supply in dry years and a minimum level of oil stocks are held to comply with International Energy Agency requirements.

³ The Sustainable Energy discussion document was released as part of the Sustainable Development Programme of Action on energy.

- d In addition, stakeholders and agencies outside of government have voiced concerns about specific issues such as electricity security of supply, security of distribution and the importation of LNG.
- 13 There have been various opinions about New Zealand's strategic priorities for achieving a sustainable energy future. Nonetheless there was general agreement on the need for the government to articulate a clearer strategy for achieving sustainable energy objectives over both the short and long term. There was also general consensus that any strategy should:
- a Emphasise the supply of renewable energy sources and improvements in energy efficiency;
 - b Encourage more sustainable transport use;
 - c Encourage research and technology;
 - d Increase public awareness of the energy challenges; and
 - e Develop a more informed and inclusive decision-making process.

PROPOSED APPROACH FOR DEVELOPING A NEW ZEALAND ENERGY STRATEGY

- 14 The development of the New Zealand Energy Strategy will:
- a Explore future energy scenarios and focus on a few key questions to establish long-term goals for New Zealand's energy sector, for example:
 - i To what extent can New Zealand reduce its dependency on oil (or fossil fuels) by 2030?
 - ii Whether non-transport energy should be 100% renewable or carbon neutral over the long term?
 - iii What is the scope to reduce primary energy demand by 2030?
 - iv To what extent can renewable (stationary and transport) energy meet primary energy demands by 2030?
 - v What role should coal play in the transition to more sustainable energy sources?
 - vi What are the pros and cons of different options to fill an indigenous gas supply gap and what if any are the dynamic implications of such choices for New Zealand's domestic oil and gas exploration over time?
 - b Facilitate stakeholders' views on possible transition paths and establish strategic priorities for achieving the long-term vision;
 - c Identify key areas for action and develop measures that lead energy sector developments towards strategic priorities.

- d Not be constrained by existing policies to explore the range of options.

EXPECTED DELIVERABLES

- 15 The New Zealand Energy Strategy will deliver the following:
- a A long-term strategic view out to 2050;
 - b Clear strategic priorities to provide focus for government and market actions;
 - c Improved certainty about the future policy and regulatory environment to promote a favourable investment climate;
 - d Policies to address greenhouse gases in the energy sector;
 - e Key areas and direction for investment in energy innovation and efficient energy use; and
 - f Stakeholder buy-in and cooperation to galvanise action of government, industry and the community behind strategic priorities.

GOVERNANCE ARRANGEMENTS

- 16 The development of the New Zealand Energy Strategy will require a whole of government process led by the Ministry of Economic Development and involving the Energy Efficiency and Conservation Authority, Ministry for the Environment, Ministry of Transport, the Electricity Commission, Treasury, and the Department of Prime Minister and Cabinet. Other departments that will also be involved include Ministry of Research, Science and Technology and Ministry of Agriculture and Forestry.

PROCESS FOR ENGAGEMENT

- 17 An enduring sustainable long-term vision will require strong input from the community. A robust, transparent process that encourages engagement with stakeholders at appropriate stages of development could include:
- a A public announcement of the terms of reference for the New Zealand Energy Strategy to promote engagement and get feed back and input on scope and process.
 - b The formation of an advisory group comprising representatives from the energy sector and non-governmental organisations to provide independent and informed perspectives on alternative strategies. Expected benefits are likely to include:
 - i Independent perspectives on priorities for action, criteria for evaluation and practical issues;
 - ii Act as intermediary with wider stakeholders;

- iii Articulation of different visions; and
 - iv Useful advice on implementation issues.
- c A series of workshops and forums to allow for stakeholders' input into the development of the draft strategy. The workshops would focus on the key questions for the main work streams, including long-term goals and scenarios, renewables, energy efficiency, energy research and innovation, and energy security.
 - d The use of the MED website to canvass opinions and encourage debate about issues, particularly during the development stage.
 - e Wide consultation on the draft strategy, with a formal submission process.
- 18 It will be especially important to take into account other stakeholder consultation processes involving the climate change work programmes being led by the Ministry for the Environment and the Department of Prime Minister and Cabinet.

INTEGRATION WITH CONCURRENT PROCESSES

- 19 The development of a New Zealand Energy Strategy will be a whole of government process due to the inter-linkages with other concurrent processes such as the development of climate change policy and the replacement NEECS. A system-wide perspective will take account of energy outcomes from other policy processes and identify how a New Zealand Energy Strategy fits with other strategic frameworks.
- 20 As a subset of the NZES, the replacement NEECS needs to be consistent with the broader organisational principles developed in the NZES that have an impact on energy efficiency and renewable energy sources. Similarly the NZES will need to take account of the strategic framework and goals established for climate change policy which have implications for the energy sector.
- 21 **NEECS Replacement:** The National Energy Efficiency and Conservation Strategy (NEECS) in place since September 2001 is to be replaced. A Cabinet Paper advising the reasons for my decision was considered by the EDC Cabinet Committee on 27 March 2006 (Cab Min (06) 10/6 refers).
- 22 The Energy Efficiency and Conservation Act sets out statutory obligations around the process of developing a replacement NEECS as well as the formal oversight and governance arrangements. Given the scope and content of the replacement NEECS and the likely overlap in the timing of developing both a replacement NEECS and the New Zealand Energy Strategy, officials are ensuring that the work streams and related processes are coordinated as much as practical.
- 23 It is important to ensure that stakeholder consultation and other development processes are complementary and, where possible, integrated by means of a common timetable - while meeting the statutory process and implicit governance

requirements set out by the Act. Appendix 2 sets out the parallel phases of development for the NZES and NEECS.

- 24 The current NEECS is due for replacement in September 2006. To allow the NZES and replacement NEECS to be released at the same time the current NEECS will be rolled over until both strategies will have been finalised.
- 25 **Climate Change policy development:** In December 2005 the government announced, as part of a review of climate change policy, that it would not proceed with the implementation of a carbon tax, originally proposed for introduction in 2007. Officials were requested by Cabinet (CBC Min (05) 20/10) to report back on a number of energy work programmes related to climate change, including the development of the New Zealand Energy Strategy and the National Energy Efficiency and Conservation Strategy. Cabinet considered a report about climate change strategic issues, and a whole-of-government work programme to reduce greenhouse gas emissions on 23 May 2006.
- 26 **State Services Commission review of the Electricity Commission and the Energy Efficiency and Conservation Authority:** The SSC is currently overseeing a review of “energy efficiency policy and operational functions” of Energy Efficiency and Conservation Authority, the Electricity Commission, the Ministry of Economic Development and the Ministry for the Environment. The findings of this review will inform the draft strategy. Once the strategy is completed it will be necessary to ensure that the institutional structures going forward fit the roles and responsibilities defined in the strategy.

INPUTS TO NEW ZEALAND ENERGY STRATEGY

- 27 **Energy Scenarios:** The Energy Outlook is currently under development by MED officials and due to be published in July 2006. Energy Outlook to 2030 is intended to lay the groundwork for the New Zealand Energy Strategy scenario analysis. The Outlook predicts that on a business as usual basis (i.e. in the absence of additional policy) by 2030 New Zealand will have increased CO₂ emissions, a reduced proportion of electricity generated from renewable sources and increased fossil fuel costs.
- 28 In addition, a number of stakeholders have published energy scenarios/futures and strategy thinking that can also provide a valuable input to the development of the NZES. For example reports published by the New Zealand Business Council for Sustainable Development, Solid Energy/NZIER, Parliamentary Commissioner for the Environment and IPENZ, among others.
- 29 **IEA Energy Policy Review:** The International Energy Agency (IEA) has conducted its five-yearly ‘In-Depth Country Review’ of New Zealand’s energy sector. Specific energy related topics include the environment, energy efficiency, fossil fuels, renewables, electricity, and energy technology research and development.
- 30 Information in the IEA Review will provide a useful input for the NZES, although it should be noted that the IEA view of New Zealand’s and the world’s situation is only one viewpoint.

- 31 **New Zealand Transport Strategy:** The transport sector is an important element in energy demand. The New Zealand Transport Strategy sets out the government's vision for transport and approach taken in making policy decisions about transport. Supporting documents for the strategy, include the National Rail Strategy to 2015, the Transport Sector Strategic Directions Document 2006/07, and the Walking and Cycling Strategies. A number of work streams are also already underway which support and underpin the proposed objectives of the New Zealand Energy Strategy, which include the updating and improvement of the MoT Vehicle Fleet Emissions Model, the Auckland Road Pricing Study and those currently within the climate change policy development programme.
- 32 **Sustainable Development Programme of Action on Energy:** The New Zealand Energy Strategy will address specific work streams initiated by Cabinet in July 2005 (CBC Min (05) 8/9) as follows:
- a Para 13: What steps, if any, could be taken to raise awareness of sustainable energy issues;
 - b Para 14: What is needed to improve the availability and quality of information to support sustainable energy policies;
 - c Para 16: How could government procurement decisions contribute to sustainable development objectives; and
 - d Para 18: Should the government produce a further public document on sustainable energy policy and, if so, what might the nature of that document be.
- 33 These work streams clearly intersect with topics to be covered in the proposed scope of the strategy outlined in Appendix 1. I propose that the separate reports from CBC Min (05) 8/9 paras 13-14, 16, and 18 are rescinded given that the New Zealand Energy Strategy will likely supersede them.

CONSULTATION

- 34 The development of the New Zealand Energy Strategy is a whole-of-government process due to the strong inter-relationships between energy policy and other policy areas. The Energy Efficiency and Conservation Authority, Ministry for the Environment, Electricity Commission, Ministry of Transport, Ministry for Research, Science and Technology, Treasury and the Department for Prime Minister and Cabinet have been consulted on this proposed terms of reference.

FISCAL IMPLICATIONS

- 35 There are no fiscal implications from developing the New Zealand Energy Strategy above baseline. It is likely that there will be significant fiscal implications of implementing the final strategy.

HUMAN RIGHTS

- 36 This proposal has no human rights implications.

LEGISLATIVE IMPLICATIONS

37 This proposal has no direct legislative implications.

REGULATORY IMPACT AND COMPLIANCE COST STATEMENT

38 An estimate of the regulatory impact and compliance costs will be undertaken when the New Zealand Energy Strategy work programme identifies additional policy initiatives.

PUBLICITY

39 There is a great deal of interest in the development of the New Zealand Energy Strategy. The success of the strategy will in part be determined by the support of the community. The objectives and terms of reference need to be widely publicised as will the consultation process and timeline for development. It is desirable that this paper is released to the public and I will issue a press release to outline the Terms of Reference guiding the development of the New Zealand Energy Strategy.

RECOMMENDATIONS

40 It is recommended that the Committee:

- 1 **Agree** that the purpose of the New Zealand Energy Strategy is to provide leadership and strategic direction for the energy sector to respond to the long-term challenges of energy security and climate change.
- 2 **Agree** that the rationale for developing a New Zealand Energy Strategy is to create an energy system that is reliable and resilient, environmentally responsible and is priced as fairly and efficiently as possible over the short and long term and establishes renewable sources of energy, energy efficiency and conservation as key priorities
- 3 **Note** that the strategy will:
 - 3.1 deliver a strategic view out to 2050;
 - 3.2 set priorities to focus government and market actions;
 - 3.3 promote a favourable investment climate;
 - 3.4 address greenhouse gases in the energy sector;
 - 3.5 enhance the contribution of R&D; and
 - 3.6 galvanise stakeholder cooperation for the transition to a sustainable energy future.
- 4 **Agree** that the proposed approach for developing the strategy needs to:
 - 4.1 raise awareness about the issues facing New Zealand's energy future;

- 4.2 explore future energy scenarios;
 - 4.3 establish consensus on strategic priorities;
 - 4.4 improve the current policy framework and clarify roles and responsibilities of different government agencies; and
 - 4.5 develop new actions and measures to achieve the government's overarching objectives.
- 5 **Agree** that the development of the New Zealand Energy Strategy is a whole-of-government process and needs to be integrated with other processes as much as practical due to strong inter-relationships with energy outcomes from other policy areas such as climate change and the National Energy Efficiency and Conservation Strategy.
- 6 **Agree** that officials coordinate the processes and development of the New Zealand Energy Strategy with those of the National Energy Efficiency and Conservation Strategy as much as practical.
- 7 **Note** that in the development of the New Zealand Energy Strategy, existing policies should not be taken as a constraint on options to be explored.
- 8 **Note** that stakeholder engagement and public support will be important to the success of the draft New Zealand Energy Strategy.
- 9 **Invite** the Minister of Energy to engage with stakeholders as required in the development of the draft strategy.
- 10 **Note** that the specific sustainable energy reports CBC Min (05) 8/9 paras 13-14, 16 and 18 will be addressed as part of the development of the New Zealand Energy Strategy.
- 11 **Agree** that the specific sustainable energy reports CBC Min (05) 8/9 paras 13-14, 16 and 18 should be rescinded as they will be amalgamated into the New Zealand Energy Strategy rather than reported separately.
- 12 **Note** that the Minister of Energy intends to release a public version of this paper and communicate the purpose, process and scope of the New Zealand Energy Strategy.
- 13 **Agree** that the proposed Terms of Reference outlined in this paper including the purpose, rationale, deliverables, approach, process of engagement, and integration with related processes, forms the basis for officials to progress to the next phase of developing a draft New Zealand Energy Strategy.
- 14 **Note** the proposed scope (Appendix 1) and timeline (Appendix 2) broadly indicate the range of energy sector issues the New Zealand Energy Strategy will cover and likely timing of key development phases.
- 15 **Invite** the Minister of Energy to report to Cabinet with a draft strategy by October 2006.

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MINISTER OF ENERGY

APPENDIX 1**POSSIBLE SCOPE OF STRATEGY**

- 41 The scope of the New Zealand Energy Strategy is potentially very extensive, as is indicated below. It is likely to undergo further development and refinement through dialogue about key energy issues and as stakeholders provide input into the development of the draft strategy. Appendix 2 sets out the expected phases of development, including consultation, and alignment of key tasks with the replacement NEECS.
- 42 The scope of the New Zealand Energy Strategy would potentially cover:
- a Purpose
 - i Purpose of NZES
 - b Energy and sustainable development
 - i Background - the Sustainable Energy discussion document
 - ii Government energy sector objectives
 - c Energy sector overview
 - i Demand and drivers for energy services
 - ii Energy supply system
 - iii Energy sector structure
 - d Energy related challenges and risks faced by New Zealand
 - i New Zealand's energy security
 - (a) Prices and availability of energy types
 - (b) Investment in capacity to deliver energy services
 - (c) Imported vs domestic energy supplies
 - ii New Zealand's climate change challenges
 - (a) Contribution to GHG emissions
 - (b) Long term goals and policy response
 - (c) Outlook for GHG emission prices
 - (d) Energy Sector Work Programme (ref CBC Min (05) 20/10)

- (i) Opportunities to reduce energy emissions generally, including through development of the strategy, and energy research priorities
 - (ii) The option of a narrow carbon tax (or other price based measure, such as emission trading) on electricity generators
 - (iii) Incentives for renewable energy or disincentives for fossil fuel based electricity generation
 - (iv) Review of the National Energy Efficiency and Conservation Strategy
- iii Local environmental impacts of energy supply
- iv Energy user and stakeholder concerns and expectations
- v International developments – implications and risks for New Zealand
- e Current energy policy framework
 - i Role of government
 - ii Role of markets
 - iii Agency responsibilities
 - iv Relationship with government's wider sustainable development objectives and other processes such as Climate Change, Transport Strategy
- f New Zealand's energy supply and demand resources – existing/challenges/opportunities
 - i Sources of primary energy supply
 - ii Energy supply technologies
 - iii Energy efficiency – technologies, practice and potentials
- g Markets and delivery of energy – existing/challenges/opportunities
 - i Electricity market
 - ii Gas market
 - iii Liquid fuels and biofuels
 - iv Coal (including potential derivatives such as gas and liquids)
 - v Energy efficiency

vi Renewables

- h Future energy scenarios for New Zealand
 - i Explore challenges/opportunities introduced in sections f & g for New Zealand's energy resources, markets and delivery of energy services (including emerging technologies and biofuels).
 - ii Assess outcomes of different future energy scenarios across multiple objectives relating to emissions, price, and energy demand/security over time.
 - iii Evaluate economic and welfare implications (e.g. impacts on balance of payments, economic output, consumers including households and major users).
- i The long-term vision – where do we want to be by 2050?
- j Identify the government's strategic priorities/goals – the intermediate steps to advance the transition of energy sector towards the long-term vision.
- k New policies and measures to deliver energy services. Outline the five-year action plan of initiatives (a summary of the opportunities identified in sections f & g that are aligned with strategic priorities).
- l Develop framework for evaluating and reviewing action plan progress.

APPENDIX 2

PROPOSED PROCESS AND KEY MILESTONES FOR THE NZES AND NEECS

1 The table below maps the parallel phases of development and an indicative timeframe for key tasks for the NZES and the NEECS. It also provides a brief description of some potential requirements that might be undertaken in each phase.

| Phase/Timing | NZES Tasks | NZES Comment | NEECS Process |
|----------------|---|--|---|
| Phase 1 | <ul style="list-style-type: none"> Develop terms of reference Establish project team in MED and across government departments Establish project team. | <ul style="list-style-type: none"> Develop and finalise TOR (Cabinet approval) Public announcement and initial engagement with stakeholders to launch process for developing strategy. Opportunity to provide feedback. | <ul style="list-style-type: none"> Advise Cabinet of Minister’s decision to replace NEECS. Public announcement. |
| Phase 2 | <ul style="list-style-type: none"> Engagement processes to include joining in with the NEECS comment-seeking, a workshop, and working with a small group of informed commentators. Develop draft strategy | <ul style="list-style-type: none"> MED officials lead an inter-agency officials’ process to develop a draft strategy based on research, environmental scan and input from key stakeholders. Decisions on climate change strategic framework to inform NZES. Draft available for Ministerial/Cabinet comment and Cabinet approval for release. | <ul style="list-style-type: none"> Proposed release of a framework for development of replacement NEECS. Seek comments from specified groups, as required by the Act, as input to a replacement NEECS. Prepare draft replacement NEECS. Submission to Minister/Cabinet for approval to release of draft replacement NEECS for public comment. |
| Phase 3 | <ul style="list-style-type: none"> Formal consultation process | <ul style="list-style-type: none"> Formal wide consultative process with stakeholders and interested parties. Involve a call for written submissions (including internet) workshops, seminars (and hui) in the main and regional provincial centres. | <ul style="list-style-type: none"> 6-8 week period for written submissions supplemented with meetings in main centres. |

| | | | |
|----------------|---|---|--|
| Phase 4 | <ul style="list-style-type: none"> • Finalise initiatives to implement New Zealand Energy Strategy | <ul style="list-style-type: none"> • Summarise submissions • Finalise initiatives and strategy. • Report to Minister and Cabinet | <ul style="list-style-type: none"> • Prepare report summarising and analysing submissions. • Prepare final replacement NEECS. • Final replacement NEECS and report on submissions submitted to Minister and Cabinet • Publish final replacement NEECS. |
| Phase 5 | <ul style="list-style-type: none"> • Publish final New Zealand Energy Strategy | <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • Publish final replacement NEECS. |
| Phase 6 | <ul style="list-style-type: none"> • Implement strategy initiatives | <ul style="list-style-type: none"> • New initiatives required to implement the strategy need to be considered as part of the 2007 budget. | <ul style="list-style-type: none"> • Implement replacement NEECS initiatives – which may require funding from the 2007 budget. |