

TASMAN DISTRICT COUNCIL

SUBMISSION ON: Strengthening national direction on renewable electricity generation and electricity transmission (the consultation document)

TO: Ministry of Business, Innovation & Employment
ElectricityRMA@mbie.govt.nz

01 June 2023

1.0 Our Submission

Tasman District Council (the **Council**) thanks the Ministry of Business, Innovation & Employment (**MBIE**) for the opportunity to make this submission on 'Strengthening national direction on renewable electricity generation and electricity transmission' (the consultation document). This submission is made on behalf of the Council and the community of Tasman District that it represents.

2.0 General comments

The Council welcomes MBIE's aspirations to provide more enabling policy direction for renewable electricity generation and electricity transmission projects with the aim to increase generation output to support New Zealand's emissions reduction targets and renewable electricity goals.

However, as detailed further in this submission, the Council is concerned that:

- 1) Many of the amendments and new policy proposed to the National Policy Statement on Renewable Electricity Generation (**NPS REG**), National Policy Statement on Electricity Transmission (**NPS ET**) and the new National Environmental Standards for Renewable Electricity Generation (**NES REG**) have the potential to result in irreversible adverse effects on sensitive environments (including Outstanding Natural Landscapes and Features (**ONL/Fs**) and areas of indigenous biodiversity and/or significant natural areas (**SNA's**)) that we are seeking to protect for future generations. Providing more weight to REG and ET activities over protecting sensitive environments is inconsistent with the Matters of National Importance (section 6 of the Resource Management Act (**RMA**)) and the purpose of the RMA; and
- 2) As proposed, the amendments and new policy for the NPS REG, NPS ET and NES REG will create confusion for both applicants and consent authorities. The result is likely to be inconsistent outcomes across New Zealand. This is particularly highlighted further in our submission in relation to the effects management hierarchy options and the complexity in both working through those hierarchies and weighing the proposed amendments and new policy direction up against the New Zealand Coastal Policy Statement (**NZCPS**) and the National Policy Statement for Highly Productive Land (**NPS HPL**); and
- 3) The proposed NPS REG only includes a clause for upgrading and repowering solar and wind REG assets but stays silent on providing for upgrades and repowering for hydro assets. Many of New Zealand's hydro generation assets are ageing and will require upgrading in the near future. We submit that upgrading and repowering hydro generation assets should be included in the amendments to enable upgrades and repowering in a similar way to the provisions for solar and wind REG assets.

The Council is fully supportive of the option (outlined in Section 12 of the consultation document) to amend the NPS ET to ensure electricity transmission provisions that apply to the national grid be extended to also cover high voltage transmission lines not owned and operated by the national grid. Council is also supportive of lowering the voltage threshold to 66kV (which will therefore include the critical 66kV lines in the Tasman District that were once owned by Transpower (now owned by Network Tasman Limited)).

3.0 Specific comments

3.1 - Policy 4 and Clause 3.6 of the Proposed NPS REG

The Council is concerned that the proposed amendments to the NPS REG sets out a framework which provides more weight to enabling REG activities than protecting areas with significant environment values, and therefore **opposes the amendments due to inconsistencies with Section 6 of the RMA.**

The proposed NPS REG defines areas with significant environment values as:

Areas with significant environment values means any or all the following:

- a) *areas with natural character in the coastal environment:*
- b) *outstanding natural features and landscapes, both within and outside the coastal environment:*
- c) *areas with historic heritage, including sites of significance to Māori and wāhi tapu:*
- d) *significant natural areas*

All those areas captured in the significant environment values definition are listed in Section 6 of the RMA as matters of national importance. Therefore, to achieve the purpose of the RMA, national direction shall recognise and provide for areas with significant environment values.

The benefits to be derived from the use and development of renewable energy are listed in Section 7 of the RMA as “other matters”. Therefore, national direction shall have particular regard to the benefits to be derived from the use and development of renewable energy.

The Council opposes Policy 4 of the NPS REG and the related effects management hierarchy options (discussed in Section 2, page 36 to 37 of the consultation document) that all seek to enable REG activities, even if there may be adverse effects on areas with significant environment values. As discussed above, providing direction which states that ‘*REG activities outweigh those remaining adverse effects*’ on significant environment values, is inconsistent with the purpose of the RMA.

Tasman District has many outstanding natural landscapes and significant natural areas where it would likely be inappropriate for large scale REG structures to be placed. The Council considers any national direction that would prioritise REG ahead of other values in these locations to be inappropriate with the potential to cause very significant adverse effects on places with significant national and international importance.

In addition to the inconsistency with the RMA, the Council believes that the effects management hierarchy options set out are overly complex and will create confusion amongst applicants and consent officers.

As proposed, consent officers and applicants will be required to work through these effects-management hierarchies whilst weighing up other contradicting national direction. This includes the NZCPS which provides strong national direction to avoid adverse effects of activities (such as REG and ET activities) on indigenous biodiversity, natural character, and natural features and landscapes in the coastal environment. This also includes the NPS HPL which clearly states that highly productive land is protected and used for land based primary production, which would potentially contradict using highly productive land for solar (which could be considered to have an impact on the capacity of the land due to shading effects¹) or wind REG activities.

The effects management hierarchy includes potential options such as offsetting and compensation. Determining if offsetting and compensation is practicable or possible, establishing what that

¹ Refer to Clause 3.9 (2)(g) of the NPS HPL

offsetting and compensation may look like, and weighing up offsetting and compensation against residual effects brings in a new level of complexity and uncertainty for applicants and consents officers. This in turn is likely to lead to on-going litigation.

The REG specific effects management hierarchy (Option 2A and 2B) states:

f. if compensation is not appropriate to address any residual adverse effects:

i.

ii REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.

As discussed above, although inconsistent with the RMA, earlier policy in the Proposed NPS REG has stated that '*Planning decisions: (a) recognise and provide for the national significance of REG activities;*²'. Therefore, in relation to (f. ii) above, it is considered that an applicant could try arguing that any REG activity is of national significance and contributing towards national benefits, which could therefore result in adverse and irreversible effects to sensitive environments.

These inconsistencies and contradictions with the RMA, NZCPS and the NPS HPL will result in onerous consent processes, litigation and inconsistent outcomes throughout New Zealand.

3.2 – Policy 9 and Clause 3.9 of the Proposed NPS REG, and the new NES REG

The Council is supportive of Policy 9 and Clause 3.9 of the Proposed NPS REG providing direction for upgrading and repowering solar and wind REG assets. The Council is also supportive of providing nationally consistent rules for upgrading or repowering wind and solar generation in a new NES REG, as drafted in Table 12 of the consultation document.

However, the Council recommends that the Proposed NPS REG and new NES REG should also provide national direction and support for upgrading and repowering hydro REG assets. We consider this to be a major gap in the proposed NPS REG and new NES REG. Given the importance of hydro generation in New Zealand (in terms of the amount hydro contributes to the system's capacity and provides for baseload generation) and the age of some of New Zealand's hydro generation (being inefficient and requiring upgrades) we recommend MBIE makes it a priority to undertake the required conversations with iwi/Māori and communities, to inform draft provisions in the Proposed NPS REG and new NES REG for upgrading and repowering hydro REG assets.

3.3 – Clause 3.3 of the Proposed NPS REG

The Council has interpreted Clause 3.3 of the Proposed NPS REG to provide support for REG activities that are providing a cumulative increase in renewable electricity generation output, at any scale (as in any scale of energy generation output), and in any location (such as whether it is in the North or South Island).

The Council is supportive of this clause as a standalone, that applies to all scales of REG.

However, as currently read with the rest of the Proposed NPS REG provisions, Clause 3.3 could potentially be interpreted to support large scale REG assets in any sensitive environment location, which is **opposed by the Council** and is inconsistent with the RMA and the NZCPS. We recommend MBIE amend Clause 3.3 of the Proposed NPS REG as follows³:

Consideration of cumulative increases and losses in generation output

² Proposed NPS REG Policy 2. Page 24 of the consultation document.

³ Underlined words show new words added to Clause 3.3

- (1) *When making decisions about REG activities, or other activities that may affect REG activities, decision-makers must recognise that in order to significantly increase renewable electricity generation output:*
 - (a) *The cumulative increase in renewable electricity generation output, at any energy generation output scale and in any location, is important for achieving the objective of the National Policy Statement and should be enabled provided significant environmental values are recognised and provided for; and*
 - (b) *The cumulative effect of the loss of renewable electricity generation, at any energy generation output scale and in any location, is detrimental to achieving the objective of this National Policy Statement and should be avoided to the extent practicable.*

3.4 – Policy 5 and Clause 3.8 of the Proposed NPS ET

The Council opposes Policy 5 and Clause 3.8 of the Proposed NPS ET, which recognise that ETN activities may need to take place in areas with significant environment values, where adverse effects may remain. This direction does not align with Section 6 of the RMA. As discussed in section 3.1 of this submission, significant environment values (as defined in the Proposed NPS REG and Proposed NPS ET) includes matters of national importance listed in Section 6 of the RMA and should therefore be provided such weight when determining how these values should be used, developed and protected in relation to any activity (such as ETN activities).

3.5 – Clause 3.9 of the Proposed NPS ET

Clause 3.9 (2) of the Proposed NPS ET reads:

- (2) *When considering changes in local amenity values from ETN development activities, recognise that change in amenity values are not, of themselves, an adverse effect, and that:*
 - (a) *changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and*
 - (b) *the changes are likely to have wider benefits to the wellbeing of people and communities, including future generation.*

We consider the clause is poorly worded and may cause confusion to applicants and consents officers. **The Council recommends that MBIE amend the wording above to ensure it is more consistent with Policy 4 and Policy 6 of the National Policy Statement on Urban Development 2020.**

3.6 – Clause 3.9 of the Proposed NPS ET

The Council is fully supportive of the option (outlined in Section 12 of the consultation document) to amend the NPS ET to ensure electricity transmission provisions that apply to the national grid be extended to also cover high voltage transmission lines not owned and operated by the national grid.

This is of particular importance and of relevance to Tasman due the critical Network Tasman Limited high voltage lines that supply electricity to Motueka and Golden Bay, and export and distribute electricity from the Cobb power station (which provides important resilience to the Tasman region). The Council is also supportive of seeing the voltage threshold being brought down to 66kV (which will therefore include the critical 66kV lines that were once owned by Transpower (now owned by Network Tasman Limited)). It is non-sensical that the 66kV lines that were owned by Transpower were considered part of the “national grid” but then, upon sale to Network Tasman, became by definition, no longer part of the national grid.

We note that there has been no amendment to the Proposed NPS ET document to reflect this option, however we would expect the definition of 'electricity transmission network' to be amended to reflect the same.

4.0 Conclusion

The Council thanks MBIE for considering this submission on Strengthening national direction on renewable electricity generation and electricity transmission (the consultation document).

Yours sincerely

A handwritten signature in black ink, appearing to read 'TK', with a stylized flourish at the end.

Tim King
Mayor, Tasman District
Te Koromatua o te tai o Aorere