



Local Government New Zealand
te pātahi matakokiri

Further submission to the Board of Inquiry on
the Proposed National Policy Statement on
Renewable Electricity Generation

From *Local Government New Zealand*

19 December 2008

INTRODUCTION

Local Government New Zealand thanks the Board of Inquiry for the opportunity to make further comment in support or opposition of submissions to the Proposed National Policy Statement (NPS) on Renewable Electricity Generation.

We note, that the Proposed NPS on Renewable Electricity Generation is the fifth NPS this year requiring a local government sector response. The resourcing implications in responding to all of these possible NPS's cannot be underestimated, particularly for medium to smaller sized councils.

In relation to the Resource Management Act (RMA) functions of local government, most councils at this time are wishing to focus their resourcing into the development of high quality second generation policy statements and plans. The high number of proposed and possible NPS's is causing resourcing, project planning, and funding uncertainty for councils.

Local Government New Zealand makes this further submission on behalf of the National Council, representing the interests of New Zealand local government.

SUBMISSIONS WITH *LOCAL GOVERNMENT NEW ZEALAND* SUPPORT

Local Government New Zealand supports all local government submissions. We also support the submission of Kensington Swan, particularly in relation to their comment on costs to local authorities.

Cost of Proposed NPS v potential benefit

A number of local government submitters (including New Plymouth; Taranaki Regional Council; Gisborne District Council; Environment Canterbury and Tauranga City Council), along with other submitters such as IPENZ, question the need for a NPS on Renewable Electricity Generation. New Plymouth District Council considers that section 7 (j) of the RMA, in conjunction with their council's district plan more than adequately provides for certainty in relation to potential renewable energy projects within the district.

North Shore City Council raises the point that it is debatable whether the NPS in its current form will add anything to the current guidance on Section 7 of the RMA and of the Energy Strategy, other than reinforcing the desirability of renewable electricity generation. Kensington Swan also submits a similar point.

Local Government New Zealand support these views.

Second generation plan changes

As attested in a number of the local government submissions, many councils (including Wellington City Council; Porirua City Council; New Plymouth and Rotorua District Council) are already providing, or are preparing to provide, particular provisions for renewable energy development in the development of their second generation statutory plans. These plan provisions will logically be focused on the types of renewable energy that they would expect from the geophysical and geographical make up of their regions, districts and cities.

Marlborough District Council raises the fact that most councils are still developing their second generation plans, which explains why the Section 32 analysis reached

the conclusion that section 7 provisions have not yet been expressed in regional policy statements and plans. *Local Government New Zealand* would support Marlborough District Councils' suggestion to withdraw the Proposed NPS and replace it with non-statutory guidelines for local government.

Resourcing issues and financial costs

Environment Canterbury, Gisborne District Council and Waimakariri District Council in particular raise the issue of resourcing and financial costs. We very much support the comment from Gisborne District on the need for the Board of Inquiry to consider the implementation burden that will fall on local authorities and the need for central government funds and resources to support the implementation of the Proposed NPS. This issue was also raised by *Local Government New Zealand* in our original submission.

Environment Bay of Plenty raise the issue of implementation of the Proposed NPS and the requirement for plan changes to go through RMA Schedule 1 processes. Environment Bay of Plenty consider that if central government continues to require mandatory review and changes to local authority planning frameworks to implement national directions, it should enable local authorities within this NPS to do so in the most efficient and effective way, for example by enabling local authorities to implement the NPS exempt from Schedule 1 processes. We agree with these considerations from Environment Bay of Plenty.

New Plymouth District Council also raise the issue of implementation of the Proposed NPS and resulting appeals on plan changes to the Environment Court. Environment Court appeals are very costly for councils and therefore ratepayers.

Many submitters raised the need for guidance to support implementation (including the New Zealand Wind Energy Association). We support these comments in full. The *Local Government New Zealand* submission also raised the need for an implementation package to support implementation of the Proposed NPS.

Balancing Part II matters

A number of councils (including Waitakere City Council, Kapiti Coast District Council and Porirua City Council), and other submitters (including Meridian Energy Limited and Transpower New Zealand Limited) have expressed the need for the Proposed NPS to provide more guidance on balancing the benefits of renewable energy development and Section 7 (j) of the RMA, against other Part II matters in Sections 6 and 7. In the original *Local Government New Zealand* submission we suggested that this would be the most useful guidance that a NPS could provide.

Local Government New Zealand notes the Proposed NPS on Freshwater Management. In terms of the relationship between the Proposed Freshwater Management NPS and the Proposed National Policy Statement on Renewable Electricity Generation, priority of users of freshwater resources is a matter which is relevant to both NPSs. In that regard, the Proposed Freshwater Management NPS, as drafted, prioritises domestic supply. The Proposed Renewable Generation NPS potentially gives a "leg up" to renewable electricity generation, which includes hydro-electricity generation, though we are not sure if this is the intention. Municipal water suppliers and hydro-electricity generators may compete for freshwater. Both the Proposed NPS on Freshwater Management and the Proposed NPS on Renewable Electricity Generation need to clearly address this issue.

This issue is also raised by Hamilton City Council who seek to ensure that in the context of New Zealand's freshwater resources that municipal water supply has priority over the competing demand for renewable electricity generation. Environment Bay of Plenty also raise the issue of the Proposed NPS not addressing the issue of priority when there are competing uses for resources.

We also agree with the comments from North Shore City Council on Policy 1 and the scope for confusion between the national significance of renewable electricity generation and section 6 Matters of National Importance.

SUBMISSIONS THAT *LOCAL GOVERNMENT NEW ZEALAND* OPPOSE

We are concerned about the lack of understanding apparent in some of the submissions on: local government resourcing limitations; the scope of what can be considered under the RMA; statutory processes and timeframes in relation to plan changes; roles, responsibilities and functions of councils under the RMA.

Windflow Technology Limited go so far as to suggest a guideline for district councils that their next Long Term Council Community Plan (LTCCP) should designate 1% of their territory for wind farming as a permitted activity. LTCCPs are covered under a completely separate piece of legislation (the Local Government Act) and a NPS can only cover RMA matters.

Other specific points that we oppose follow.

Timeframes

A number of submitters have suggested a timeframe of two years, until 2010, to give effect to the Proposed NPS (including Mainpower, New Zealand Wind Energy Association). We oppose this suggestion. In all likelihood there will be no NPS on Renewable Electricity Generation before late 2009 at the earliest. Giving councils one year to give effect to and implement the NPS is ludicrous.

Reserve sensitivity policy

Genesis Energy consider that the Proposed NPS could include a new policy protecting new and existing renewable electricity generation activities from reverse sensitivity effects. Unison, Meridian and Contact Energy also requested this addition in their submissions.

Local Government New Zealand does not support an additional policy on this topic and considers that this is not appropriate. We note the reserve sensitivity policy (Policy 10) in the National Policy Statement on Electricity Transmission and the limited value that this adds.

COMMENTS ON THE SPECIFIC OBJECTIVE AND POLICIES

Objective

We support North Shore City Council's comment on the 90% renewables target in the Objective of the Proposed NPS and the suggestion that this target be removed. We also support the Environment Canterbury and Environment Waikato considerations on the inappropriateness of the 90% renewables target being included in the Proposed NPS. This is in line with the *Local Government New Zealand* submission.

We also agree with the Kapiti Coast District Council comment on the mismatch between the problem outlined in the pre-amble and what the Proposed NPS delivers. This point is also raised in the Waitakere City Council submission.

Policy 1

Many submitters consider that a more comprehensive range of benefits of renewable electricity generation be identified in Policy 1. The submitters include: Rodney District Council; Kapiti Coast District Council; Tauranga City Council; Pioneer Generation Ltd; Genesis Energy and Unison Networks Limited. We support explicitly listing the benefits of renewable electricity generation activities in Policy 1.

Policy 2

Many consider that the wording of Policy 2 is confusing (including Mainpower; NZ Petroleum Exploration and Production Association; Auckland Regional Public Health Service and Environs Holding Ltd). Others (for example, Horizons Regional Council) are unclear as to how this policy adds value to what already occurs during decision-making on consents. We support both these considerations.

TrustPower submit that securing access to land is key to the development of renewable electricity generation and consider that Policy 2 should be expanded to provide direction to the removal of barriers of access to land. We would not support this addition. Removal of barriers to access land is not something that councils can realistically control through RMA processes. We refer to our earlier comment on the concern in relation to the perceived role and responsibilities of councils in relation to the RMA.

Policy 3

Along with North Shore City Council we also question whether this Policy is necessary.

Policies 4 and 5

Local Government New Zealand support all of the comments made by North Shore City Council in relation to Policies 4 and 5.

Tauranga City Council has expressed the need for additional guidance for Policies 4 and 5 in particular. This issue was raised in the *Local Government New Zealand* submission where we considered that there needed to be much greater guidance available in relation to types of technologies available in order for councils to be able to give effect to Policy 5, including further guidance on managing cumulative effects.

We also support the comments from Greater Wellington and Hawkes Bay Regional Council on these policies.

Local Government New Zealand opposes the recommendation by some submitters (including Windflow Technology Limited and Unison Networks Limited) that the definition of small and community-scale renewable electricity generation be up to 10 MW. Given that Wellington City Council explained that this would include sixteen 0.25MW turbines at 31 m high as 'community- scale', we support the views of Wellington City that it is more appropriate for Policy 5 to cover different capacity threshold scales. As per our original submission, criteria enabling development of small and community-scale distributed renewable electricity generation needs to be specific to the relevant technologies and associated or potential environmental effects.

CONCLUSION

Again, *Local Government New Zealand* thanks the Board of Inquiry for the opportunity to comment on other submissions. As it will be apparent to the Board there is clear local government consensus and agreement on a number of issues and points that we have raised in this further submission. We ask the Board to consider the serious implementation implications of the Proposed NPS on local government.