

The Wellington City Council's Submission to the Proposed National Policy Statement for Renewable Electricity Generation

October 2008

1. Introduction and Summary

The Wellington City Council ('the Council') welcomes the opportunity to provide comment to the proposed National Policy Statement for Renewable Electricity Generation ('the proposed NPS'). The Council strongly supports the intent of the proposed NPS to recognise the benefits of renewable electricity generation with resource consent decisions and promote the development of renewable electricity in New Zealand. The Council has city greenhouse gas emissions reduction targets to reduce emissions 30% below 2001 levels by 2020. The Council is partly reliant on greater investment and policies promoting renewable energy to achieve this target.

The Council understands that through our consenting roles, we (and other territorial authorities) have a major role in helping New Zealand and the Wellington Region transition to a lower-carbon economy. This is especially relevant with the introduction of the Emissions Trading Scheme, which sends price signals attempting to reduce emissions of our economic activities.

Despite strong support of the intent, there are aspects of the proposed NPS that are difficult to interpret and require more clarification and detail. It is unclear whether the proposed NPS will provide improved practical guidance to the Council for assessing resource consents for renewable electricity generation. For example, the proposed NPS does not provide specific guidance to the Council and other consent authorities on how much positive "weight" to give consent applications for renewable electricity generation projects. While the Council supports the intent to provide a nationally consistent approach for decision-makers, applicants and the wider community, there may be room to clarify or strengthen policy wording to help realise this consistency.

Furthermore, the Council notes that according to the Ministry's assessment, most of the delays associated with renewable electricity projects are a result of appeals to the Environment Court. While the proposed NPS can provide better guidance to consenting authorities, the public still maintains the right under the Resource Management Act 1991 ('RMA') to appeal consent decisions to the Environment Court. The Council is still supportive of current RMA processes that ensure thorough public input into applications including when applications are sent to a higher court. The Council is also mindful of the ongoing need to ensure an appropriate balance between process and timeframes.

The submission outlines the Council's current District Plan policies relating to renewable energy and then provides more detailed comments about the proposed NPS objective and specific policies.

The Council would like to give an oral submission to the Board of Enquiry.

2. Existing Council Policy: District Plan Change 32

The Council finalised District Plan Change 32 ('Plan Change 32') in 2005 as a response to the Resource Management (Energy and Climate Change) Amendment Act 2004 requiring councils to have particular regard to the benefits of renewable energy. Plan Change 32 provides specific objectives and policies that encourage the use and development of renewable energy in Wellington and recognise the benefits of renewable electricity are of national significance. Because wind farm development has obvious potential in the Wellington area, Plan Change 32 includes specific rules for assessing wind farm proposals.

The Council believes that Plan Change 32 sufficiently covers the general intent of policies 1-4i from the proposed NPS. The Council is seeking confirmation from either the Board of Enquiry and/or the Ministry for the Environment that wording of Plan Change 32 is consistent with the objectives and policies of the proposed NPS. Furthermore, the Council is seeking confirmation that Plan Change 32 demonstrates that the Council, as a consenting authority and decision-maker, is adequately:

- recognising the national benefits of renewable electricity generation activities
- encouraging renewable electricity activities through its District Plan.

The Council notes that under policies 4ii and 5, it will have requirements to notify a plan change to enable the development of "small and community-scale distributed electricity generation".

3. Comments on the objective of the proposed NPS

The Council is generally supportive of the objective of the proposed NPS. The Council believes it is also important to reference the real objective for developing the proposed NPS on renewable electricity: to reduce greenhouse gas emissions from New Zealand's electricity generation while maintaining security of supply. There is little purpose in having a 90% renewable energy target in and of itself if it does not lead to other benefits.

4. Comments on Policy 1

The Council supports the intention of policy 1: to recognise the national significance of the benefits of renewable electricity generation activities. The Council's Plan Change 32 clearly recognises the benefits of renewable electricity generation:

*"...Council is to have particular regard to the **benefits** to be derived from the use and development of renewable energy. This is to be considered within a wider context of central government project and policy framework to address climate change, which focuses on both a continued improvement in energy efficiency, and an increase in consumer energy to be supplied from renewable sources."*

In order to provide the most detailed guidance to consenting authorities, the Council believes that policy 1 should provide greater detail regarding the benefits of renewable electricity generation activities. Other benefits (as noted in the proposed NPS evaluation) include:

- least-cost approach to reducing greenhouse gas emissions
- reduces dependence on fossil-fuel generation to minimise exposure to oil and gas prices

- provides generators with more certainty that decision-makers will give appropriate considerations to the benefits of renewable electricity generation
- increases in national generation capacity
- investments in human capital for renewable generation sector
- reduces long-term operation costs of electricity generation
- maintenance and enhancement of New Zealand's environmental image
- reduces costs of meeting international emissions commitments.

If it is the Government's will to recognise the benefits then it is important to articulate these benefits in a detailed manner.

5. Comments on policy 2

5.1 Intent of policy 2

The Council understands that there are practical constraints associated with measures that avoid adverse effects for renewable electricity projects. Moreover, the Council supports, in principle, the intention to favour renewable electricity projects that, for reasons deriving from practical constraints, might otherwise fail to gain commercially viable resource consent. The Council's Plan Change 32 partially covers this policy in stating:

"It is considered that renewable energy developments such as wind farms could successfully co-exist in the Wellington City boundary if adverse effects are avoided, remedied or mitigated. However, this potential conflict needs to be carefully managed and assessed on a case by case basis. The discretionary (unrestricted) rule will ensure that any application is given full consideration."

The Council received its first practical test of Plan Change 32 with the lodging of the West Wind resource consent application. The Council effectively requested avoidance measures - the removal of turbines from the original application – whilst ensuring that the commercial viability of the project was maintained. The Council therefore feels that it has practically demonstrated that it has been able to use the Plan Change 32 to properly guides decision makers in this respect.

The Council agrees with the evaluation of the proposed NPS that states “well-designed and appropriate projects should gain consent under the existing RMA framework, whereas poorly conceived projects with overwhelmingly negative environmental effects should be declined.” The Council feels its District Plan has the proper balance of:

- recognising the national, regional and local benefits of renewable electricity generation
- encouraging (through planning tools) renewable electricity generation projects in Wellington
- ensuring that in managing any potential conflict between national benefits and local effects, that the Council considers commercial viability as a key factor when developing avoidance or remedy measures.

5.2 Points of clarification

The explanation of the policy provides clarity that policy 2 in “no way undermines the protective emphasis of section 6 and applicants will still need to establish that any proposal promotes the purpose of the RMA”. Furthermore, the explanation note states that the policy “...would likely place an onus on the project proponents to show that options and technologies for addressing adverse effects had been adequately considered.” These points are not properly reflected in the actual policy and there is room for misinterpretation from decision-makers and applicants. The Council believes more explanation and context will reduce confusion for the fore mentioned parties.

It is proposed the following wording should be added to policy 2:

Consent authorities must still consider the protective emphasis of section 6 and applicants should demonstrate that options and technologies for addressing adverse effects had been adequately considered. Consent authorities should enable well-designed and appropriate projects to gain consent and ensure that these remain commercially viable.

6. Comments on policy 3

The explanation note for the proposed NPS provides reasonable clarity relating to the term reversibility. This includes the transitional nature of certain technologies and the ability to return the environment to its pre-development state following a project’s economic life. The Council supports the intent of the policy and believes consent authorities should recognise the relative reversibility when considering consent proposals for certain technologies.

Because the concept of reversibility is open to interpretation, the Council believes that the policy wording is not strong enough and requires more clarity in relation to the transitional nature of certain technologies and the ability to return the environment to its pre-development state following a project’s economic life. It is important to clearly define what is meant by reversibility and there is scope to be explicit in stating which technologies have high degrees of reversibility in the Government’s view. Wind energy and marine energy were used as examples in the explanation note.

There are negligible opportunities for hydro generation in Wellington City. Nevertheless, the Council would not be supportive of hydro scheme projects that cause irreversible, negative environmental impacts to areas that have ecological or landscape values of national or regional significance.

7. Comments on policy 4

The Council believes that in relation to wind energy, Plan Change 32 currently covers the requirement relating to “the identification and assessment by generators of potential sites and energy sources for renewable electricity generation”. The following wording is from Plan Change 32:

Anemometers are erected to obtain information on wind flows at a particular location. Typically this is done as part of the initial research phase for a wind energy development... They are provided for as a discretionary activity (restricted) in the Rural and Open Space B Areas to facilitate testing in those areas, as they have been identified by the

Council as being most likely for the development of wind energy proposals.

The Council believes that further amendment to the District Plan is not required. Practically, it is not appropriate to make plan changes relating to hydro and geothermal generation technologies (as they are not viable in Wellington) and regional councils are responsible for consenting activities relating to marine energy research and development.

The Council believes it is important to encourage research and investigation into new sites and sources of generation as well as emerging technologies. The Council therefore supports the intent of the second bullet of policy 4 and will look for opportunities to strengthen the District Plan in relation to emerging renewable electricity generation. This will likely be added in 2010 with the Second Generation Plan review.

8. Comments on Policy 5

The Council strongly supports the intent of policy 5 and is currently identifying opportunities to amend the District Plan to enable the development of small-scale distributed generation activities. The Council understands that removing barriers for rural communities and in urban settings will help increase the viability and demand for small-scale distributed generation activities. New provisions will likely be included in the Council's Second Generation Plan review.

The Council would like to note that prohibitive cost of these technologies is likely the biggest barrier to their uptake. Even if barriers are removed through the consenting process, the uptake will likely remain low until the technologies become more cost effective and provide a higher rate of return.

8.1 Points of clarification on definition

The Council believes that the 4MW threshold is too high to be considered as community-scale. For example, under this threshold wind farms that include sixteen 0.25MW turbines (equivalent to the Brooklyn Turbine in Wellington, which is 31m high) or eight 0.5MW turbines are classified as community-scale. While this might be small compared to commercial scale wind farms, the environmental impacts might still need proper consideration with this scale. The Council believes that it may be appropriate to have different capacity threshold scales for different technologies: wind, geothermal and hydro. The Council believes that more work and consultation is required to properly define a community-scale project.

The Council submits that when an appropriate scale for small and community-scale distributed renewable electricity generation activities is defined, it is referenced in the actual policy.

9. Conclusion

The Council is strongly supportive of the intent of the proposed NPS. The Council's current policy states that the benefits of renewable electricity – reduced greenhouse gas emissions and securing New Zealand's electricity supply - are of national significance and this is considered in processing resource consent applications. The Council would like clarification from the whether Plan Change 32 sufficiently cover some of the proposed NPS requirements. The Council believes that while the intent

of the proposed NPS is strong, it is unclear whether the proposed NPS will provide improved practical guidance to the Council for assessing resource consents for renewable electricity generation. More detail was recommended for each of the policies in order to provide more consistency and clarity for consent authorities, applicants and the community. The Council would like to give an oral submission to the Board of Enquiry.