

31 October 2008

The Chairperson
Board of Inquiry
c/- Ministry for the Environment
Level 6, Tower Centre
45 Queen St
AUCKLAND

Dear Sir/Madam

**SUBMISSION TO THE NATIONAL POLICY STATEMENT ON RENEWABLE ELECTRICITY
GENERATION**

1.0 INTRODUCTION

- 1.1 Hamilton City Council (HCC) staff welcome the opportunity to make a submission to the Ministry for the Environment's Proposed National Policy Statement (NPS) on Renewable Electricity Generation.
- 1.2 It should be noted that the comments expressed in this submission are from Hamilton City Council staff.
- 1.3 This submission relates to all provisions of the Proposed Renewable Electricity Generation NPS.

2.0 SPECIFIC COMMENTS

- 2.1 HCC supports the the development of new and existing renewable electricity generation. However, HCC has some concerns with respect to the Proposed Renewable Electricity Generation NPS, as set out below.

2.2 Municipal water supply

- 2.2.1 Hamilton City is New Zealand's fourth largest metropolitan centre (by population) and is the retail, commercial, industrial, and educational centre of the Waikato Region. Hamilton City has experienced significant population and economic growth in recent years and 92% of population growth in the Waikato Region is predicted to occur in the Hamilton sub-region (Hamilton City, Waikato and Waipa Districts). There is potential for the growth of Hamilton to be severely constrained if there is insufficient water to support that growth. This could have flow on effects on the Waikato regional economy, which is a significant player in the New Zealand economy. HCC is responsible for municipal water supply in Hamilton City and holds current resource consents for that purpose.
- 2.2.2 HCC is concerned that NPS gives a "leg up" to renewable electricity generation by recognising the national significance of and practical constraints associated with renewable electricity generation, but does not acknowledge that the use of New Zealand's freshwater resource for municipal water supply has priority over the use of freshwater resource for renewable electricity generation, i.e., hydro-electricity generation. In that regard, HCC is also concerned to ensure that the Proposed Renewable NPS does not conflict with the Proposed National Policy Statement for Freshwater Management (Proposed Freshwater NPS) which was notified on 20 September 2008; submissions close on 23 January 2009.
- 2.2.3 In that regard, the Proposed Freshwater NPS recognises that the management of freshwater resources as a matter of national significance that is relevant to achieving the purpose of the RMA. Policy 1 of the Proposed Freshwater NPS requires that every regional council notify a regional policy statement (or variation or change to the region's regional policy statement) in order that:

"...

As soon as practicable thereafter every regional policy statement specifies objectives, policies and methods which —

(a) ...

(b) ...

(i) guide and direct regional and district plans including considerations for the determination of resource consent applications and notices of requirement to manage demands for freshwater, including demands arising from Land Use Development and discharges of contaminants, in a manner which —

(i) provides certainty to communities and water users (including as appropriate for the prioritisation of allocation for takes of freshwater for reasonably foreseeable Consumptive Use; and

(ii) provides priority for reasonably foreseeable domestic water supply, over other competing

demands, provided that appropriate demands strategies are established for each supply ...”

2.2.4 The Proposed Freshwater NPS clearly establishes priority for municipal water supply over all other competing demands for New Zealand’s freshwater resource and HCC is concerned to ensure that the Proposed Renewable Electricity Generation NPS and the Proposed Freshwater NPS are consistent, particularly in the context of competition for New Zealand’s freshwater resource between municipal water supply and hydro electricity generation.

2.2.5 In that regard, Hamilton City Council submits that, while renewable electricity generation is important, the use of the freshwater resource for municipal supply is more important than, and should therefore take priority over, the use of freshwater resources for renewable electricity generation (whether new generation initiatives or increases in existing generation).

2.3 Weighing competing values and interests

2.3.1 HCC is concerned that the Proposed Renewable Electricity Generation NPS is very broad and lacks sufficient detail and guidance as to the approach that local authorities should take toward weighing competing values and interests in order to promote the purpose of the Resource Management Act 1991 (RMA).

2.3.2 In particular, local authorities are already required to have regard to the benefits to be derived from the use and development of renewable energy by section 7(j) of the RMA. In that regard, the Proposed Renewable Electricity Generation NPS offers little more in the way of guidance than the limited direction provided by the RMA. On that basis, HCC considers that the Proposed Renewable NPS is of limited value without further detailed guidance as to how local authorities are to weigh conflicting values and interests in terms of Part 2 of the RMA and submits that further guidance should be provided.

2.4 District Plan issues

2.4.1 The Proposed Renewable Electricity Generation NPS (in particular Policies 4 and 5) requires “local authorities” to promulgate changes to regional and district plans by 2012.

2.4.2 HCC is concerned that the policies would encourage the ad hoc promulgation of plan changes and the potential for the misalignment of regional and district objectives and policies, or at worst, conflicting objectives and policies rather than providing for a structural implementation through the hierarchy of plans, i.e., regional plans, then district plans.

2.4.3 In that regard, HCC submits that Policy 4 and Policy 5 should be amended to require regional councils to amend regional planning instruments and set timeframes for the promulgation of district planning instruments. The Waikato Regional Council (Environment Waikato) is developing a Regional Energy Strategy which will inform regional and district planning documents. HCC submits that this is an appropriate planning approach to the development of renewable energy initiatives.

2.4.4 HCC is also concerned that Policy 4 and Policy 5 require provision to be made for certain activities in regional and district planning instruments, however the NPS provides no guidance or explanation as to the character, intensity and scale of these activities or their potential effects. This is of particular concern in a highly urbanised environment such as Hamilton City.

2.5 Recognition of issues associated with different forms of renewable energy

2.5.1 The Proposed Renewable Electricity Generation NPS does not acknowledge that some energy sources are more “renewable” than others e.g. solar and wind, and that some renewable energy sources have greater environmental impacts than others e.g. biofuels.

2.5.2 HCC considers that the Proposed Renewable Electricity Generation NPS should provide some guidance to local authorities in that regard and as to the issues (including benefits/positive effects and costs/adverse effects) that need to be considered in relation to each source of renewable energy.

2.6 Definitions

2.6.1 The Proposed Renewable Electricity Generation NPS does not define the terms “renewable energy” or “micro-generation”. HCC considers that those terms should be defined in order to provide clarity for local authorities in implementing the Proposed Renewable NPS.

2.6.2 HCC submits that the Proposed Renewable Electricity Generation NPS should also define the scale of micro generation as, for example a 4MW facility could restrict the generating capacity of a rural installation but a 10MW installation could have a significant impact in an urban area

2.7 Suggested changes to the proposed NPS

2.7.1 HCC seeks amendments to the Proposed Renewable Electricity Generation NPS which will:

- a) Ensure that, in the context of New Zealand’s freshwater resource, municipal water supply has priority over the competing demand for renewable electricity generation.
- b) Provide stronger guidance as to how local authorities are to weigh competing values and interests in the context of renewable electricity generation.
- c) Ensure the most efficient and effective implementation of the Proposed Renewable Electricity Generation NPS by:
 - i) Requiring regional authorities to develop regional energy strategies for each region which will inform planning for renewable energy generation.
 - ii) Requiring regional authorities to investigate other means (including, if necessary, via other legislation) of providing guidance in relation to


energy issues arising in their region which will inform planning for renewable energy generation (such as regional energy strategies), assuming that it is lawful to do so.

- d) Provide clarity around the activities addressed by Policies 4 and 5.
- e) Recognise the issues associated with different sources of renewable energy and provide guidance in that regard.
- f) Include definitions of the terms 'renewable energy' and 'micro generation'.
- g) Clarify whether the Proposed Renewable NPS captures expansion of existing renewable energy generation and, if not, provide guidance in that regard.

3.0 CONCLUDING COMMENTS

- 3.1 HCC staff trust that the points made in this submission are helpful to the Ministry for the Environment when considering submissions to the proposed National Policy Statement on Renewable Electricity Generation.
- 3.2 HCC **does wish to be heard** at the hearings held by the Ministry for the Environment in support of this submission.
- 3.3 If you require clarification of the points raised in this submission, or additional information, please contact Tim Harty (Water and Wastewater Treatment Plants Manager) in the first instance on 07 958 5873 or email tim.harty@hcc.govt.nz.

Yours faithfully



Michael Redman
CHIEF EXECUTIVE
HAMILTON CITY COUNCIL