

Friday, 31 October 2008

To
Ministry for the Environment
The Chairman
Board of Inquiry
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Wellington

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This submission is made on the **proposed National Policy Statement for Renewable Electricity Generation** on behalf of Eastland Network Ltd.

Eastland Network Ltd

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We do not wish to be heard in support of our submission.

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EXECUTIVE SUMMARY

- ENL supports the proposed NPS as it provides greater certainty to decision makers, developers and all stakeholders in the energy industry. We agree with the objectives of the proposed national policy statement and approve the proposal to recognise the national significance for renewable electricity generation.
- The NPS is an appropriate methodology to speed up procedures for approval of new renewable electricity infrastructure. Time delays caused by inefficient consent procedures are cost intensive and frustrating for the affected parties, and can be considered serious barriers to invest.
- When facilitating energy supply, there is a possibility of facing a trade-off between local adverse effects and national benefits. By clarifying the government's position on the benefits of renewable electricity generation will further assist with the balancing of competing national and local values.
- ENL is a local lines company, in a rural and isolated spot of the country, and we see great potential for small scale generation to meet local demand. Thus, ENL welcomes opportunities for the development of community-scale renewable electricity generation, with limited environmental effects, in rural and island communities.

1.0 INTRODUCTION

- 1.1** Eastland Network Limited (ENL) owns and operates the lines for the upper East Coast of the North Island. ENL is 100% owned by the Eastland Community Trust with the Gisborne District Council as the capital beneficiary of the Trust. ENL distributes approximately 302 GWh of electricity to approximately 26,000 consumers, of which almost two thirds are in Gisborne City and Wairoa Township. The remaining connections are spread out widely, across two isolated distribution networks covering 11,952km², resulting in an overall line density of less than seven connections per kilometre of line.
- 1.2** We thank the Ministry for providing us with an opportunity to comment on the **Proposed National Policy Statement for Renewable Electricity Generation**. The next section provides some pieces of background information, followed by comments on the proposed national policy statement

2.0 BACKGROUND

- 2.1** The Resource Management Act 1992 (RMA) makes arrangements for the issuing of national policy statements to provide guidance on resource management matters that are considered to be of national significance. The purpose of national policy statements is to offer guidance for policy and decision makers on a national, regional and local level.
- 2.2** Over the past months, Government has furthered its commitment to sustainable energy management through various initiatives. The New Zealand Energy Strategy, released in 2007 (1), establishes the Governments sustainable energy objectives and is a key document on the subject of energy matters. The strategy sets an ambitious target that by 2025 renewable resources should generate 90% of New Zealand's electricity.

- 2.3** To meet this target, significant increase in renewables is necessary to meet existing energy demand, but also to meet growth in demand, which is estimated at 2% per annum. Local adverse effects of electricity generation need to be offset by national benefits.
- 2.4** Under the umbrella of the strategy and within the context of obligations under the Kyoto Protocol, changes to the legal framework have been made targeting different levels of the electricity industry in order to give preference to renewable resources and to reach the strategy's objectives.
- 2.5** For example the changes to the Electricity Industry Reform Act 1998 (EIRA) under the EIR Amendment Bill 2008, focus on distribution businesses allowing them to own unlimited renewable electricity generation and to retail the output.
- 2.6** The proposed **NPS for Renewable Electricity Generation** is another Government initiative following the release of the energy strategy and the Electricity (Renewable Preference) Amendment Act 2008, which sets a moratorium for thermal fuelled power plants. The proposed NPS seeks to remove unnecessary barriers to the acquisition of resource consent for the development of small and community scale renewable electricity generation projects with limited environmental effects.

3.0 COMMENTS

- 3.1** In the light of recent policy changes and New Zealand's energy situation ENL would like to provide some general comments on the proposed policy statement. To begin with, ENL agrees that it is desirable to achieve a high level of energy generation through renewable resources. However, this should not come at any cost. Careful cost-benefit analysis needs to be undertaken, and all options need to be factored in to achieve best possible outcomes.
- 3.2** ENL agrees with the outlined policy objectives of the NPS. Recognising the national significance of the benefits of renewable electricity generation and encouragement of consistent decision-making throughout New Zealand when assessing RMA-applications to develop renewable electricity generation capacity will assist in the decision making process. Thus, time consuming consent applications that add a high cost factor to the initial capital expenditure can be kept to a minimum.
- 3.3** When facilitating energy supply, there is a possibility of facing a trade-off between local adverse effects and national benefits. By clarifying the government's position on the benefits of renewable electricity generation will further assist with the balancing of competing national and local values.
- 3.4** ENL strongly agrees with the objective to support opportunities for the development of community-scale renewable electricity generation, with limited environmental effects, in rural and island communities. As a local lines company, in a rural and isolated spot of the country, we see great potential for small scale generation to meet local demand.
- 3.5** ENL supports the proposed NPS as it provides greater certainty to decision makers, developers and all stakeholders in the energy industry.

Yours sincerely,



Matt Todd (Chief Executive)

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4.0 REFERENCES

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