

To be read in conjunction with
the tabled evidence/statement



**HEARD BEFORE DR R SOMERVILLE QC (CHAIR), MRS G BAUMANN,
MR W GARDINER AND DR R CHAPMAN, MEMBERS OF THE BOARD**

MONDAY 22 JUNE 2009

**HELD AT THE HERITAGE HOTEL, ROBERT LAIDLAW 2 ROOM,
35 HOBSON STREET, AUCKLAND.**

HEARING OPENED [10.00 am]

APPEARANCES

Councilor D Hale and Ms K Barker, Local Government New Zealand

Mr B Lack, Counties Power

Mr J Richards, Auckland Regional Council

Mr M Farnsworth and Mr V Cooper, Northland Regional Council

Mr J Wyatt, North Shore City Council

Mr K Balderston, Waitakere City Council

Mr K Palmer

Audio file: dpm 0064

CHAIR: Yes, well welcome thank you very much for your submission, it's very interesting and comprehensive, and also thank you for your further submission of which summarised things very helpfully. So we're really - I won't introduce the panel because you know who we are, but I need to tell you that we are recording everything, and there's a transcription so it will go on to the web. And we're very much in your hands, if you wish to speak to your submission that's fine, and it would be welcome, but we'd also like to hear your views on particularly policies which you've helped to summarise.

MS HALE: We'll head up to the microphone and I've got Kate here who will obviously be able to expand a little bit better than be as she's the policy analyst and she's our senior one of our senior policy analysts at Local Government New Zealand, nearly a Freudian said North Shore City there. Anyway, I'm Dianne Hale and I'm one of the councillors on the national council, so and given that I'm up in this area and I'm one of the portfolio holders that signs off, it's appropriate for me to do the talk points and anything too tricky I'll certainly call on Kate. And you just acknowledged our written submission and our further submission, which commented on the proposed National Policy Statement and the key issues from the submission will be briefly summarised, and then we'll be available to answer questions.

Local Government New Zealand supports the use of renewable forms of energy, and supports the intent of the proposed NPS. However, the proposed NPS is an opportunity not to be wasted, and must provide clear guidance and assist local authority planning and decision making over and above what is already provided in Part 2 of the RMA, and what can be achieved by a non regulatory means. As it currently stands, the proposed NPS provides little help to councils when making decisions on national

benefits verses local affects, and offers little over what is already set out in Part 2 of the Resource Management Act, so we're saying it's a bit vague and inconsistent.

The National Policy Statements create a considerable resource burden on councils, who are required to implement the NPS's through their policy statements and plans councils will require considerable guidance and implementation package in order to give affect to the NPS. Clarity around what the proposed NPS seeks to achieve, Local Government New Zealand is unsure of the policy aim or the problem that the proposed NPS seeks to address. By reading the proposed objective, it could be assumed that the problem is of consenting new and existing renewable electricity generation activities. We suggest that perception of constraint faced by electricity generators as a result of local regulatory frameworks under the act is likely to be overstated. From our consultation with the local government sector the main issue for our sector is how to balance the national benefits of renewable generation projects with the local affects, or how to manage competing values. For example with wind generation councils are often placed in the difficult position of trying to balance the national benefits of wind energy generation while still managing what can sometimes be significant localised affects, particularly in relation to visual affects, and protecting outstanding national features and landscapes.

The last paragraph of the preamble to the proposed NPS recognises these balancing issues, however, the proposed NPS as it is written doesn't offer any guidance to councils on balancing competing values associated with developing renewable energy resources and in weighing up the competing Part 2 matters of the Resource Management Act. We believe that this direction is the most critical thing for the NPS to achieve. Local Government New Zealand requests the removal of the 90 percent renewable by 2025 target in the objective. While the target provides

useful context in the preamble, the target itself is not something that can be achieved solely through an NPS under the RMA. There needs to be a package of government policy approaches and interventions to achieve this target, we are concerned that the rest of this package is missing and that the proposed NPS is being seen as a solution to solve all problems. The objective needs to reflect what can actually be achieved through an NPS.

Many councils in New Zealand are already providing, or preparing to provide particular provisions for renewable energy in the development of their second generation statutory plans. These plans provisions will logically be focussed on the types of renewable energy development expected from the geophysical and geographical make up of their regions, districts, and cities. It is important for the board to consider what might be achieved over and above what is already entrained with the second generation plan of developments, and what could be achieved by central government providing non-regulatory guidance, or by working directly with some local authorities to prepare new RMA frameworks to enable better, or quicker access to particular resources, particularly those local authorities who have the highest demand for new energy generation projects.

Local Government New Zealand encourages the board to consider and make recommendations on all tools from non-statutory guidance through to an NPS that could benefit the regulatory system for the development of renewable energy generation. Considering the range of responses and options, you'll help clarify what an NPS can add. The proposed NPS on renewable electricity generation is the fifth NPS either in place or being considered at this time. We cannot stress enough the resourcing implications of this on the local government sector, and the need for central government funds and resources to support local government in the implementation of the proposed NPS.

Local Government New Zealand considers that to date there has not been a recognition of the cumulative costs and impacts to councils of multiple NPS's. Each NPS seems to have been developed in isolation, which could create some difficulties in implementation for local government if there are conflicting national priorities. We can already see potential for conflict and inconsistency between the proposed New Zealand Coastal Policy Statement, this NPS and that in the NPS on the Freshwater Management. And ironically I was just saying to Kate before, picking up the herald this morning, they're talking about the Maui Dolphins in the Kaikoura Harbour, and you've got one group saying they're protected under the Coastal Statement, and yet renewable energy can go ahead, and I think they've settled on a monitoring period of a year. I think the submitter wanted three years to ensure that there was going to be no damage to the Maui Dolphins, which of course are a protected species and dwindling in number, so that's the sort of thing we see as being a conflict.

We encourage the board to consider the use of Section 55.2 (a)(b) of the Resource Management Act, thereby a National Policy Statement can direct specific provisions be included in the document without notification or hearing. Using this provision where ever possible will reduce costs for local authorities, please note that the new provisions in the resource management simplifying and streamlining amendment bills for councils to make amendments without further formality may be more workable than the current Section 55.2 (a)(b). Therefore it might be worthwhile for the board to delay recommendations on the proposed National Policy Statement to take advantage of these resource management amendments, and of course that was meant to be reported back, I think that's been put back a couple of months so.

Policy 1, just specific comments on Policy 1, the intent of Policy 1 is supported, however we do not think the policy offers any value over what is already provided for in Section 7 of the Resource Management Act. This policy does not address the issues associated with having to reconcile potentially competing Sections 6 and 7 matters. As mentioned already, this is an issue that councils have raised in their feedback to Local Government New Zealand. Benefits of renewable electricity generation activities to be considered by consent authorities are relevant only when they are weighing up all the matters to be reconciled in relation to a particular proposal. In the lease, Policy 1 needs to further define all the national benefits, and perhaps provide a framework for decision making, including by prioritising the benefits able to be achieved by particular types or scale of activities for proposals.

Comments on Policy 2, the intent of Policy 2 needs to be clarified many submitters including ourselves find the wording confusing and are unclear about how this policy adds value to what is already occurs during decision making on consents. Policy 3, Local Government New Zealand supports the intent of Policy 3, but as the policy is currently worded it is not clear about what is asking the decision makers to do, and will provide more confusion than guidance. If the concept of reversibility is to be retained, we suggest that this be incorporated into Policy 1. Some comments on Policies 4 and 5, in particular Policies 4 and 5 will require significant technical expertise which is beyond the resourcing means for a number of councils, particularly our smaller ones. Government must provide for significant implementation package to facilitate, and assist with the capability raising necessary to support implementation of this NPS.

[10.10 am]

Local Government New Zealand seeks the removal of the date specification within Policy 4 and 5, we suggest at the time of the next

review is sufficient requirement, and that's the referral to the 2012 date. We suggest Policy 4 should identify the type identification or research or investigation activities or techniques or equipment to be enabled in region and or district plans. Councils do not contain the in-house expertise of specific matters relating to research of possible electricity generation activities, and require much more guidance through the proposed NPS in order to give affect to Policy 4. Local Government New Zealand also considers that the constraints implied by Policy 4 are more perceived than real.

Moving to Policy 5, Local Government New Zealand supports small and community scale renewable energy options. We note that the regulatory impact statements state that, "Policy 5 seeks to address the disproportionately high consenting costs associated with small and community scale renewable energy generating projects." This limited environment affects while consenting costs will be an issue. Until further guidance is provided to these councils on the actual technologies available and how they might provide for these better in their regulatory processes, this policy is not helpful. Councils can not just add something into their plans without understanding the technology that is available, and the potential environmental affects, including the cumulative affect. Further guidance on the types of small scale renewable technologies on the market, and how councils are expected to provide for such small scale generation in their plans would be required.

In conclusion, we thank the board for the opportunity to be here, and encourage them to give careful consideration to some of the recommendations and amendments we have suggested in our submission. And we are more than happy to organise further consultation with our councils, if that is desired, because certainly we have that good linkage to all the councils in New Zealand. But really you may want more consultation just on the inconsistencies in the National Policy Statement,

and I was saying to Kate before, “I just wonder after reading through all the information that whether we should be looking at a -” and this is me, “Rather than a National Policy Statement we should be looking at environmental standards which might give clearer guidance.” So we’re more than happy to answer any questions and I invite Kate up, because possibly they might be of a more technical nature that she’d be more appropriate to answer.

CHAIR: Thank you Councillor, that’s really helpful. Thank you for that, just if we could work through your submission, and I may need to take you up on that invitation, particularly in respect of those plans that have been prepared by local authorities at the moment which are including renewable electricity. It would be good to have a summary of plans where that’s already been done, so we have a look at the provisions, the policies and so forth, and the methods that have been used.

MS HALE: Kate has looked at somewhere?

MS BARKER: Yeah I did a quick ring around.

CHAIR: Yes, can we just for the record Kate, can you just say your name please?

MS BARKER: Yes I’m Kate Barker, Senior Policy Analyst, Local Government New Zealand.

CHAIR: Thank you.

MS BARKER: I have done some investigation and a bit of a ring around to the councils to see who were looking at changes in their second generation plans, so I’ve got that information, but in terms of specifics we would need to do some more work on that. But I’m sure that Ministry for the Environment would have needed to put some of that information together as part of their Section 32, so they might have more information as well.

CHAIR: Yes thank you. Now just working through the definitions for a moment of the policy statement, do you have it in front of you - the actual policy?

MS HALE: Yes

CHAIR: The definition under renewable electricity generation, in your submission you refer to, "Direct use of geothermal heat for domestic or industrial purposes, and the use of solar radiation for heating systems." Could I ask, would it be would that be a way of introducing that, and that is introducing it in to the definition rather than changing the title of the NPS?

MS BARKER: That would be fine.

CHAIR: You'll get to the same point.

MS BARKER: That's right.

CHAIR: Now if you could help us with the words then, I'm on page 4 of your submission, the 4.1, second paragraph, we've got, "Direct use of geothermal heat for domestic or industrial personal usage solar ray." It's just a question of turning that into a definition. Are you comfortable with those words there, if they were just added in, or would you like to think about that it and get back to us about?

MS BARKER: Which ones?

CHAIR: The 4.1 scope, second line. "For example, direct use of geothermal heat for domestic or industrial processes." And in the definition of 'renewal electricity generation' we have 'geothermal'. Is it your suggestion that we need to be more specific, basically?

MS BARKER: I think somewhere in the NPS whether, it's the through definition or somewhere else, we need to provide for situations, and I used to work for Taupo District Council, where hospitals or situations like that can use

geothermal heat directly, rather than needing to transfer it into electricity.
Providing for that option.

CHAIR: An energy issue, rather than electricity issue.

DR CHAPMAN: Can I just raise a question. The problem generally, as I see it with this, is that there is a lot of potential for renewable heat use, but it raises a whole series of different questions, and quite a lot broader questions really. Co-generation issues, co-generation efficiency issues, different sorts of solar heat for example, questions around, for example, passive heating with buildings and so on. If one took into account all this, the scope of the NPS would expand a lot. So it's a question of where we draw the line. I accept that geothermal heat, for example, is a valuable resource, there is no question about that, and fully supportive of efficient use of those things, but it is a question of where we scope out to in establishing the NPS. Do you have any general comment on this?

MS BARKER: Yes. I absolutely agree with that. It could get really broad. But I guess in terms of a National Policy Statement, and setting national priorities, and not wanting to - we're sort of forcing in a way perhaps for certain technologies, or a certain way, when there's other options, and we wouldn't want those to drop off, because they don't fit within the priorities of the NPS.

DR CHAPMAN: No, I understand where you're coming from. It's just a question of how we define the scope of this thing and how we set it up, I suppose. Only one option, for example, is to note in the preamble that there is a whole range of energy generation forms - to define the scope of the NPS as strictly being one of renewable electricity, but noting nevertheless in the preamble that as much efficiency as possible in relation to other forms of energy should be pursued, some sort of general presumption like that,

without affecting the scope of this particular NPS. Do you think that that's a sensible solution?

MS BARKER: Yes, I see merit in that. An NPS is quite specific on the RMA, and I think we made the point in our submission around councils, when they were looking at energy, so many projects come in under their long-term council community plan, they've got to focus around energy efficiency, and it's quite broad what they might focus on. Retrofits of housing, all that sort of stuff. And so, yes there will need to be a narrowness in terms of the RMA and (inaudible) how it fits in that framework, but recognition I think in the preamble of the wider picture. I think that is the point that Dianne made in the talk points. What we see at LGNZ is we don't get the wider policy picture, the wider central government view. We're just getting the National Policy Statement view. And there is the energy strategy, but that's under review, it's about how will these things come together for us. The local government, they're the only ones that see it all together.

[10.20 am]

CHAIR: On the demand side, the side you're talking about, and alternatives of energy efficiency and so forth, you have mentioned some areas which may be more compatible for solar, Nelson, Blenheim, Bay of Plenty. We have had some evidence from Nelson about using subsidies to promote solar energy, and we haven't had any evidence from Marlborough or from Bay of Plenty on that. Do you know whether there are subsidies beyond Nelson for solar alternatives?

MS BARKER: I have thought that Wellington City might have been looking at that.

CHAIR: Could you check that for us?

MS BARKER: Yes.

MRS BAUMANN: And also to add to that, the subsidy may be to the extent of waiving consent fees.

DR CHAPMAN: Yes, I suspect that's as far as it goes, but I'm not 100 percent sure of that.

MRS BAUMANN: Well, Nelson's actually - from that evidence just giving a formal sub, as well as consent fee. So it's not it.

DR CHAPMAN: In Wellington?

MRS BAUMANN: Yes

CHAIR: Just interested in your use of Section 55, just want to make sure that we don't exclude different local authorities with different issues and their communities from having an input into the implementation of the NPS. The first schedule allowed that to happen. Does it follow on if you're using Section 55, that you have to have kind of a prescriptive NPS in the sense of actually saying, "This is the provision that goes into the plan," and is there a risk that you might get such a vague wishy washy uncertain provision that it's of no real benefit for some districts, and the districts I'm thinking of, are probably the district councils where they've got cumulative effect, difficulties with wind farms for instance. They want some guidance about separation distances and numbers, tower heights, all that sort of thing. If we have a 'one fits all' for that, do you see that there may be some difficulties with that, by using Section 55?

MS BARKER: Yes, and it's in line with our submission to the streamlining bill, in that to use Section 55 you really need to be fairly prescriptive and clear in the policy, for it to be inserted into plans. So I completely agree about needing to maintain a flexibility, because this particular topic is not a 'one size fits all' necessarily, we are looking at different generation types and different locations, so it would need to be of careful consideration.

CHAIR: And we do take your point using a National Environmental Standard alongside, unfortunately we have no other way to address it. The other thing is the reversibility issue. We have had a lot of submissions, mainly from generation companies, concerned that reversibility becomes discriminatory in the sense of hydro versus say wind or something like that, and the point has been made: where else has that happened where the particular use of the particular activity is addressed on the reversibility issue. Now, do you have any views on that? I notice you said bring reversibility into the earlier policies, but -

MS BARKER: Yes, I think in our submissions we supported the concept but found it really - in terms of Policy Three, I think quite difficult in terms of implementation. A number of councils have come back to us and said, "That is something they consider is part of their decision making anyway, and so what is the use of it." I can't think of any specific examples where that's used, or the concept is used. It would be in terms of looking at the logistics of a project, it is part of their normal assessment of a resource consent and all things, but not so specifically.

CHAIR: No, well it certainly ties in with the risk approach with the original Coastal Policy statement, "Irreversible effects of precautionary principles," and we're conscious that Resource Management Act is a reason for bringing in a National Policy Statement, for reversibility or irreversibility issues. So I just wondered whether you had maybe given it a bit more

thought, as a concept of sustainability really. If it's irreversible, it's hard to say it's sustainable over the long-term.

MS BARKER: No, I haven't given it too much more thought. If you'd like us to do more work on that we certainly can, though it sounds like you know more than I do.

CHAIR: No, well if you had any more first thoughts on that area, we would be grateful. The other thing is the Local Government New Zealand put a submission in on the freshwater policy statement and also the coastal. Could we have a copy of those, because we've got a consistency issue that you've raised, and other parties have raised here, if that could go to Ms Beruldsen, that would be helpful.

MS BARKER: Absolutely

CHAIR: Have you looked at the consistency issue in your submissions to the freshwater matter, because we are conscious that hydro structures are mentioned in that policy statement as well.

MS BARKER: I think we've touched on it. But I think it's an area where we need to do a bit more work, LGNZ as an organisation - I think we need to do a bit more work around that. Unfortunately, our policy analyst, who did the submission on the Freshwater NPS, has left us. I did the submission for the coastal policy statement, so I'm more familiar with some of those issues, but we're happy to do more work around that, and it is something that we need to do anyway, I think.

CHAIR: Yes well, the local authority's decision making will have these things all lined up, that's how they tie in. The suggestion is that we need to discuss that with the freshwater people.

DR CHAPMAN: Can I ask you a question in relation to Policy Five? In relation to Policy Five you make an interesting point about consenting costs. You note that, “While consent costs may be an issue, until further guidance is provided for councils on the actual technologies available, how they might be better in their regulatory processes, this policy is not helpful, we need to understand the technology.” Now, we’re trying to get a grip on this consenting costs issue, just how real it is. Is there any information you can provide to us on that, that looks across councils, or gives us some sense of the magnitudes here? We do have a sense from some submitters that there can be significant costs on small scale, or community-scale developments. So we’d like to, if we could develop some sort of actual basis for having an assessment of that. Can you help us on that?

MS BARKER: Yes, unfortunately we haven’t got a whole lot of information of personal examples. It is sort of an area, a policy area that I work in. I have been along to various forums, and I’ve heard examples of where we’ve got wanting to produce electricity from, say, a small hydro and the technologies, and the councils just having absolutely no idea that you could do that, and then with them going along and seeing how it works. And going, “Oh, ok, so it’s not that bad.” It really is a case of so many different councils around New Zealand just not knowing the technologies, and what’s involved. So I’ve got examples from that but not that they would cover everyone.

DR CHAPMAN: So would you be able to document those examples in any way, even informally or in a qualitative sense. I’m not suggesting a quantitative analysis or anything.

MS BARKER: I thought a good way of doing it would be just to contact the sector, and just see if anyone has got some examples they're willing to share. Particularly if we've got Nelson looking at solar and doing away with consenting costs for that, so obviously some of these councils are looking at this. So it's whether we can get some of those examples. But again, it's something that the Ministry of Environment should have been doing as part of their preparation for this.

[10.30 am]

DR CHAPMAN: Right, so you would see it as the Ministry's role rather than yours to collect that sort of information?

MS BARKER: Well the local government role is to represent the sector's interests, and I'm doing select information - but the Ministry is in charge of the environment and its National Policy Statement process so yeah, there is some responsibilities for them to have done the groundwork.

DR CHAPMAN: Right. Okay. Well anyway, I take your point, but if there are some examples that you could just bring to our attention that would be really helpful.

MS HALE: Even if Nelson are waiving consenting costs, I mean it's still a cost to the authority. It may not be a cost to the applicant but the cost still has to be borne by that council, through their ratepayers in normal circumstances.

MRS BAUMANN: That does depend, however, how they're dealing with the consents - whether they're-

MS HALE: Yeah, how burden -

MRS BAUMANN: Maybe a very minor costing waiving. Minor burden, yeah.

DR CHAPMAN: Your example rather suggests that some councils might be imposing on applicants the costs of them coming up to speed with a particular technology. Is that a reasonable interpretation, or is it just an inevitable moving costs that councils have to go through?

MS HALE: I guess probably in some of the smaller councils, yes where they often don't have the resources or the depth of knowledge. I guess the bigger councils, you look at the many Auckland and Wellington councils, and all those, Christchurch, I mean they've probably got the resources and the intelligence there, whereas once you get into the smaller ones it's probably a lot harder for them to provide. They probably often have to buy in that knowledge, to deal with the submission or the application. So I would imagine in - I see probably the Auckland Regional Council coming up next, I mean I think councils like that and the ones in the Auckland area and Wellington, yes they probably often do have that level of intelligence on board. Maybe still have to seek it, but I think we're saying it's sort of inconsistent across the country and at the moment we need to have that consistency - well, for all applicants really, so they know what they're up against when they do put in an application.

DR CHAPMAN: Could you, just to pursue that, have you thought about a solution such as a standard activity status with certain forms of renewable - small scale or community scale electricity generation? For example, controlled activity status or - is that a solution that you've thought about?

MS BARKER: I think in our submission we've said that in terms of being able to give the clarity, and in terms of implementation with the councils that would be helpful, some guidance on activity status and types of technologies, and how they could implement that. Factor into their plan.

DR CHAPMAN: And that would come under the further guidance that you talk about here, would it? You talk about, "Further guidance on the types of small scale options and how councils are expected to provide for them would be required."

MS BARKER: It could be - there's a range of ways that could come as further guidance or could sort of fit within the guidance notch of the NPS itself, but we would want to see the commitment that that was coming.

MS HALE: I think when you talk about controlled activity status, then the community - it's going to happen, it's just a matter of conditions, and so I guess in the community there's still going to be that nervousness that something's going to be imposed on them, that they feel may affect their lifestyle or their environment or - whether it's visual or actual or perceived. But I guess that's the one thing controls does, offer that security going forward for the applicant but I guess it's, for the concerned people in that area, probably is a different challenge again.

DR CHAPMAN: So are you suggesting that that guidance would need careful consultation?

MS HALE: I think you would. To get something that people didn't feel it was being imposed on them, and then once again it's one group doesn't fit all so it's, different areas and different tolerances and different needs, really.

DR CHAPMAN: Yeah. Okay, thank you.

MRS BAUMANN: If I may jump in there, going around the countryside amongst your member organisations, we're hearing two sorts of suggestions. One, that there be - just provide guidance, activity status. That can be of

guidance. Others saying a requirement that a local authority take it up, but through its processes, come up with a plan response through community, the normal way. Do you favour one or the other? Or is that impossible from you, the organisation?

MS BARKER: Really hard. I hate being vague, but it depends on what the NPS is going to look like. And yeah, there's merits in both sides of the story, so if the NPS is going to be perhaps more like it's worded now, then we're going to need to maintain the flexibility of the councils to be able to implement that as they see fit through their plans, but if it's going to be more directive, yeah.

MRS BAUMANN: Do you get any feel of the extent to which councils feel that the whole thing is set up as the community speaking through plans - which would lead one to this approach rather than a directed approach? Maybe it's a personal question?

MS BARKER: Be a good question for an individual council. We don't get a sense so much because we're sort of in Wellington and talk directly with the councils whereas the councils talk more directly with the community. So it might be a question for a council (inaudible) perhaps.

MS HALE: A councils sort of vote through their community, or through their long term council community plan, they do have the community outputs and what their expectations are, so certainly there is a lot of dialogue and consultation with communities and it's the sort of thing that as those plans are being developed and revisited in depth every three years, it's the sort of thing, questions that could be asked.

MRS BAUMANN: Taking up that business of - we going for a quiet, either directly imposing or directing that there be a response, you suggest that that should be tied in with the review? With the plan review?

MS HALE: Yeah, I think we were just a bit worried about the date, and just that the costs are being imposed on planning to meet that date, whereas if councils are meant to review their plans every ten years, a lot of them are now in that process doing that, or looking to do that, so rather than have a date there that they have to be met by - and I mean, probably even just looking at the Auckland area with the new governance coming into being next year, you wouldn't really want to see all the councils doing their plans knowing that there's going to be one plan for the whole area - I mean a lot of that information would form a backbone but you wouldn't really want to see the whole process revisited a number of times, so I think the date was just a concern really.

MRS BAUMANN: If the date were just to be dropped back a few years rather than left to the next review date, which could be ten years away, this comes in just in after a second generation plan -

MS BARKER: We understand that the majority of councils are looking at second generation plans.

MRS BAUMANN: And there's the odd one that's been done that I'm aware of, yeah. So would it be that we would give it up to eight years or something so that you couldn't wait - would that be an acceptable compromise?

MS BARKER: That would be acceptable.

MRS BAUMANN: That sort of approach rather than 2012 full stop. I take your point, no more point promising more in Auckland, got enough problems to

get to where's it has got to go. I take your point that you feel that - in respect of Policy 5 we've got to deal with cumulative, but I'll assume that you have no better answer than we do today? Cumulative effects, managing them?

MS BARKER: No.

MRS BAUMANN: Well we may be going in depth into some of your members of your association who are, like the ones in Palmerston North area. I had one other area if I can remember what it was. Oh, it's about the fresh water management NPS, which my colleague Royden Somerville's asked you about. Two other things. Reverse sensitivity, in your first submissions you mentioned that you don't support an additional policy on that topic 'cos we are receiving, obviously from the generators, strong submissions in that area, do you want to comment any further?

[10.40 am]

MS BARKER: Not really, I think our further submission sort of sets out our position on that. Just don't think that it's appropriate and we don't support it. A reversed sensitivity is different policy.

MRS BAUMANN: Have your members not raised this as something they struggle with in respect of re-consenting? You have heard from some?

MS BARKER: We haven't at LGNZ received anything back on that.

MRS BAUMANN: And the last thing I wanted too was whether you had any submission on re- consenting? Where renewable energy projects are required to go through a re-consent at the end of the term, do you have any

particular submissions on that? Because we are hearing that that should be a modified regime.

MS BARKER: We haven't had anything back.

MRS BAUMANN: Right, that's fine. That's all right, thank you.

CHAIR: I'll just make a statement, just before we finish, Doctor Chapman mentioned the issue of whether there was any work done on cost, basically. You didn't put a submission in to the Select Committee on the streamlining bill, did you?

MS BARKER: We did.

CHAIR: And did that cover the benefits of streamlining procedures, did it do a clear cost benefit analysis?

MS BARKER: Did LGNZ do a cost-benefit as part of that submission?

CHAIR: Yes. The benefits - if there were - to streamlining, or the costs - if there were - to streamlining.

MS BARKER: I think if we'd had the time we would have liked to, but no.

CHAIR: No. Could we just have a copy of that submission? Thank you.

MS HALE: We certainly did acknowledge that some - particularly plan changes in that, it was really if you were going to cut out the second round of cross submissions, that would certainly time-wise and financially, have a big impact. But we really said well, we agree with not having cross submissions, but we you shouldn't cherry pick. So if you're going to cherry

pick, then you should be doing cross submissions rather than selecting out certain ones to talk to, but we did see that as one form of being a cost saving.

CHAIR: Right, well that would be helpful if we could have that submission. And the final thing in this does require you to get back to us I'm sorry, and that is on the coastal work, the tidal wave energy and so forth, the local government would have had a view on the establishment of agriculture marine management areas, the AMA's for marine farms offshore. Would you be able to just check to see what the attitude of your members might be if you had areas managed in that way, if it came to tidal development? Could you do that for us? As a mechanism within a regional coastal plan.

MS BARKER: Yeah. Just on that, it's one of the main issues that came up from our membership on a New Zealand Coastal Policy Statement was similar to some of the issues we've raised here in the NPS, around the managing values and the coast, in particular, was one where you've got competing uses. That's been an issue around aquaculture and around sort of this other potential zoning, I mean, I was hoping that the recommendations from the Board of Enquiry on the New Zealand Coastal Policy Statement would have been out by now, because we really felt that the policy and the proposed NZCPS doesn't offer any help for Northland councils, or Wellington about these tidal and wave energy consents.

CHAIR: Yes, no, thank you, I understand it's not too far away, but whether our (inaudible) is any better than theirs I'm not sure. Well, we're very grateful to you for your submission, and thank you Councillor.

MS HALE: Thank you, thank you for your time. Kate's got a bit of homework there to do, I'll get back to you with some further information, so thank you.

CHAIR: We're grateful to you, not only for your submission, but also accommodating the difficulties we're had. And we're in your hands about how you wish to approach your submission. But I need to just tell you that everything that you say is going to be recorded and end up on the website.

MR LACK: And do I get the opportunity to vet this as per (inaudible). No, thank you sir, I don't want to say a lot. Thank you for inviting me to speak. I hadn't intended to but I have as requested. I don't want to say a lot sir, beyond what is in this submission. Obviously, Paragraph 4, the company strongly supports the adoption of a National Policy Statement, sooner rather than later. Having just heard the exchange I heard, three years seems to us to be more than sufficient time to put in place things to enable this important form of generation.

At Paragraphs 5 and 6, I have made some suggested minor rewording changes, simply to make clear what we assume as the intent of the document. At Clause 7, I have suggested that the definition should be extended a little, and I have pointed to a definition in the Electricity Act, which I think could usefully be considered in this context. I don't think that takes it dramatically wide, but it does leave open the possibility that something may come to light which isn't included in the list as presently written.

Paragraph 8 is perhaps the one that I should spend a moment on, which is the suggestion that the Policy Statement should be extended to include co-generation projects. We take it that the purpose of this Policy Statement is to encourage and to enable generation which does not have negative environment effects, which seems to us to be a highly laudable aim, and co-generation can achieve that. This time last year I was seeking to consent a co-generation project very similar to the ones in the

Netherlands that I've described in the submission, and I immediately ran into the provisions in the District Plan which essentially made this an industrial activity in a rural area.

And so, I was immediately faced with, well will the effects be minor. Or alternately, is this in keeping with the policies and objectives of the plan. And I'm not a RMA lawyer, but I'm sure among you that there's somebody who knows exactly which clause in the RMA I'm talking about.

And at the same time the council politicians were highly supportive of what we were about. The problem was that the plan simply hadn't contemplated this at the time it had been written, and this to us is exactly the sort of thing which could usefully be included. And I should say that I wasn't intending to despoil a pristine area. In fact, this was to be attached to a glasshouse, which it was 11 hectares in extent. I don't mean the site, I mean the glasshouse. So, it was already a reasonably industrialized area. But of course we were intending to export the electricity, so it wasn't an activity solely ancillary to the glasshouse.

Now, as it happens that project didn't proceed, and there were other reasons as well as the consenting that were behind that. I cannot stand here and say, "This caused it not to proceed." That would not be true, but it certainly was an unexpected obstacle.

So, in our submission certainly where co-generation is to be added to an existing plant. Thereby, improving the efficiency of what's going on, and reducing the impact on the environment in terms of the overall nation's energy produced. It seems to us that it should be enabled in exactly the same way as renewable generation. Much less obvious in terms of a new co-generation installation.

[10.50 am]

I don't think I could argue that the same applies, because if you're going to be burning fossil fuels, even if you are doing it with a higher level of efficiency than elsewhere in the country, it doesn't fall into the same category. But it certainly in our view deserves some words like favourable consideration, or something like that, to be considered on its merits.

And I think that is as much as I wish to say. I'd be happy to try answer any questions.

CHAIR: Well, thank you Mr Lack. The reason we are grateful to you coming is that we've only had one other submission from a lines company, and we're particularly interested in the distributed power for generation at least. The small communities and self-sufficiency and also the 4 megawatt definition of a small community project.

MR LACK: I've missed that point sir.

CHAIR: Yes. So, that's not to take anything away from what you've said. Perhaps if we could ask you some questions about that?

MR LACK: Please do, please bear in mind that I'm not an engineer though.

CHAIR: No. Your area, can you just remind me again?

MR LACK: I'm a chartered secretary sir, I manage the commercial side of our business. So, I'm reasonably familiar with the legal and engineering sides, but I'm not a professional in either.

CHAIR: No, I understand that, but the area of Counties Power, you said its South Auckland and North Waikato.

MR LACK: It extends sir from the South head of the Manukau Harbour, down beyond the Waikato River to a point on the coast more or less in line with Huntley. Across country to Mersa (ph), line drawn between Mersa (ph) and Merimeri (ph) across to the firth of Thames, Kiarwa (ph) up across the Hinuas (ph), Southern side of Popakura and then to thence to the Manukau Harbour again. So quite a large area, predominately rural. The only urban or semi-urban areas being Pukekohe, Tuakau and part of Popakura.

CHAIR: Thank you.

MRS BAUMANN: And just to add the background. Can you just outline the current or proposed renewable plants in your lines area?

MR LACK: There are some small hydro plants attached to the Water (inaudible) dams in the Hinua Ranges. There is a consented wind farm, Genesis on the peninsula which they are not proceeding with at the moment. The Contact wind farm between Port Waikato and Raglan, if that proceeds, part of that is in our area. There is immediately, not sure whether you count this as renewable, but I think it does, the Hampden Downs landfill site, which is on the east side of the Waikato River.

We recently connected 2 megawatts of landfill gas into our network, and there is more expected on that site. There are one or two smaller wind projects which are under investigation at the moment, which haven't proceeded, but I expect to have one of at least half a megawatt connected by the end of this year, which is very small but is going to serve as a useful demonstration to some of the farmers on the peninsula.

I think that's all. Oh, there's one or two little solar ones which various people have put in which I think are experimental rather than anything else, but I have no doubt there will be more.

MRS BAUMANN: So, you've got quite an experience of bringing those into your system.

MR LACK: We're getting some, yes.

MR GARDINER: Thank you. Paragraph 6, I wanted to spend a little bit of time there. Those small generation windmills and other elements. Are these the stand alone elements that you're talking about in Paragraph 6? People have chosen to use their own generation capacity in more isolated areas of your catchment?

MR LACK: I wasn't talking about that sir. There are one or two of those as well. The point I was trying to make, there was simply a semantic point that the way that that policy is worded at the moment, it's not immediately obvious to me quite what counts as they're being encouraged to do.

MR GARDINER: And your point though at the end there is that you prefer the customer to make the choice rather than-

MR LACK: Exactly.

MR GARDINER: What about the issue, there are some customers that could use standalone but would prefer to use grid connection? Why would that be?

MR LACK: Reliability essentially. It depends what you're trying to achieve. But if you want a high level of reliability, standalone you're not going to do that with one fuel source. Or if you are you're going to have some batteries.

MR GARDINER: In terms of Policy 5 and given the big spread of the Counties Area, are there rural pockets where there's a potential for NPS 5 are more likely than others? Small communities and small-

MR LACK: Sorry, how do you mean more likely than others?

MR GARDINER: Well, it's just that we've heard what's going on in your area in terms of potential generation. What about the rural communities who might be more isolated than others, and might be more prone to head towards small community generation?

MR LACK: Well, they're more likely to do than communities which are close in, yes, obviously. Are they more likely to happen in industrial scale renewable generation? I don't know, I'm not sure that that is true. Certainly, the drive to date has come primarily from the larger organisations, Contact, Genesis, Water Care, Environwaste rather than -

MR GARDINER: So, there really aren't any areas in your catchment that are not reachable by the mainline, by your line?

MR LACK: Well, they are reached at the moment, and unlike some lines companies we have invested quite a lot of money in maintaining the quality of those lines. So, the argument about 2012, and whether there will be an obligation to continue supply is not one which has a large impact on us. Because the lines are there, and in reasonable condition.

We could have a discussion about subsidies as a separate issue of course. But I would not expect there to be a large drive in our area for people to install standalone as a means of separating themselves from the grid for pricing or reliability reasons or because the grid isn't giving good service, no.

MR GARDINER: Thank you.

MRS BAUMANN: Well, I'll jump into the 4/10 megawatt argument. I appreciate that you haven't really thought about it. But we are currently getting a lot of submissions that the 4 megawatt is too low, or incorrect. Or that the idea is laudable, but setting a megawatt is wrong and it should reflect environmental effects, rather than the megawattage. Do you have any comments, that if we are going to pursue a Policy like 5, how it should be pitched?

MR LACK: I suppose it depends on the purpose of the exercise doesn't it? I had not turned my mind to it. I had taken the objective of the exercise to be to encourage renewable generation per se irrespective of size. If there is to be particularly special treatment for something of small scale, 4 megawatts is very large if you are a farm, or two or three farmers.

If you're going to make a useful contribution to the nation as a whole, it's very small. I mean, the item that I refer to earlier, the Hampden Downs Landfill that will probably end up at about 10 megawatts for example. The Genesis consent from memory is for something like about 19 megawatts.

CHAIR: The one?

MR LACK: Yeah. The greenhouse exercise that I spoke of before had potential to be as much as 6 megawatts. Now, that would have involved - there's a

trade off there between how much of the CO2 was going to be used in the glasshouse and how much of the heat etc. But it had the potential to be rather larger than 4 megawatts. That in terms of the local community, though it would have been quite substantial I mean, the demand on the Tuakau substation, I'd need to verify the figure but it would be, I would guess, something of the order of 20 megawatts or something like that. So, 4 megawatts becomes quite substantial. So, it depends what you're trying to achieve is the simple answer.

[11.00 am]

MRS BAUMANN: I think the Section 32 analysis suggests that it is to make a slightly easier route, and not impose the same costs as on a larger generator. And to encourage district for renewable generation.

MR LACK: Well, if I may then, I can see why people who've given the matter more thought than me would argue that the assessment should be based on - the qualification under a clause like that should be based on something like environmental effects rather than output. Because I'm sure if you turn your mind to it, you can think of something larger than that so it's going to have a small impact and vice versa.

MRS BAUMANN: And equally if you're putting a 5 megawatt in a semi-urban area, it's vastly different, so.

MR LACK: Yeah, indeed so.

MRS BAUMANN: The other thing, in respect we're also - I don't know whether we can go there, but we're getting submissions in respect of feed-in tariffs. Do you have any comments as a distributor on whether that - it's more a generator thing but -

MR LACK: At the risk of appearing to be evasive, what do you mean by feed-in tariff? Because there are different people meaning different things by that. If you mean some form of subsidy for this, I take it that what's implied.

MRS BAUMANN: Well, guaranteed price.

MR LACK: Some sort of subsidy or guaranteed price. Nothing to do with tariffs is easy in the electricity industry because of the way that we've been split up to create efficiency. But in principal, I can see no reason at all why something like that should not be offered. And indeed on one level I believe that some of the generators have defacto been offering such things. To the extent that if you go and talk with them about projects, in some cases you're going to get reasonably favourable consideration precisely. Because of this stage of development they do want to have an amount of renewable in their portfolio, for one reason or another. Is this placed on the front page of the website? No.

MRS BAUMANN: That's interesting 'cos we have to-date not been able to find that out, but we will go pursuing it now that you've mentioned it.

MR LACK: I think you'll find a different response from different generators, certainly our impression. And perhaps even in different parts of the country.

MRS BAUMANN: Yeah depending on the RMA.

MR LACK: It's certainly our experience in this part of the country has been that there is a level of willingness there to encourage this, yes. To the point of encouraging things which are uneconomic? No.

MRS BAUMANN: I'll stop there and leave it to my colleagues.

MR LACK: Sorry, if I could add to that, if I may. Also, depending on the type of it, there maybe such things from the lines company the - sorry I'm struggling a little here with some commercial sensitivities. But may I say something which will not appear on your website?

CHAIR: Yes, just pause, please.

TAPE TURNED OFF FOR SENSITIVE MATERIAL

MR LACK: Does this man have security clearance?

DR CHAPMAN: Yes, I had one or two. That was interesting comments on the feed-in tariffs, thank you. When you refer to some generators offering a feed-in tariff effectively, were you referring to the net metering or the reverse metering arrangements that they offer there, buying back electricity at a particular price?

MR LACK: I was not referring to household scale installations. I was referring to the small commercial installations, if I can describe it as that. And I suppose they are effectively net metered, but not in the way I suspect that you mean.

DR CHAPMAN: Okay, are these commercial installations generating a little bit of base load or variable load?

MR LACK: Both.

DR CHAPMAN: Okay, interesting. So, I had a question about consenting costs, and whether they're a significant barrier to the sort of small projects you

talked about. The one, the half megawatt wind project, and some experimental solar projects, so.

MR LACK: I was not personally involved in the solar ones. The question was, what's in our area, and I was simply able to report that they exist. I think the answer depends largely on where they are sited in the area, because I don't believe that a great deal of thought was given to this when the District Plan was written.

The wind project I mentioned, I think the answer is that the consenting costs will be very low indeed, because it happens to fall in an area where it will, if not be a permitted activity, it will be very close to it. And I don't anticipate that that's going to be a major issue at all. Whereas, I can well imagine elsewhere in the same district it might well be an issue.

Time is probably a greater barrier than cost in many of these issues. If we proceeded for example, and I realise that this doesn't fall within the definition of renewable energy as it sits. But if we proceeded with that greenhouse exercise I was talking about, it would have been time that would have been the issue in getting through the process, rather than the actual cost of doing so.

DR CHAPMAN: Right. So, the applicants time and the time -

MR LACK: The time of the process.

DR CHAPMAN: In which the council took - which they then charge back to the applicant. Okay, yeah that's helpful, thanks. In relation to Policy 4, which is labelling, identification of possibilities and so on, we've had some evidence that one approach that might work would be to identify no-go areas. Areas where renewable electricity generation would be ruled out

on a certain set of criteria perhaps. Whereas, that would leave presumably significant areas where it was not ruled out, where it could go ahead. Would that be a sensible way forward, rather than specifying or requiring local authorities to identify criteria in the plans and so on?

MR LACK: Certainty is a nice thing. If I knew that, “Do not look for wind projects in this part of the district. Do look for them in other parts. Do not look for solar projects in this part of the district. Do look for them in other parts.” That would be very, very convenient. Can that be achieved in a sensible way? I’m not sure because under any given heading of renewable generation the effects could be markedly different couldn’t they.

A solar panel on a roof for example, I imagine that there are parts of Auckland which the council has seen fit to designate as heritage areas where solar panels would be seen as a real intrusion. So, for them to say, “There will be no solar panels in these areas.” Whilst from an energy point of view might be very silly, from a planning and procedures point of view it would actually be extremely convenient to know that, wouldn’t it?

So, similarly in terms of wind on the Peninsula, the ARC started effectively down that track. It may not have intended to, but it is started effectively down that track with its policy change 8, saying that, “Large parts of this peninsula will be protected from development.” Now, they’ve backed off on that and discussions are now underway with the local community. But I can quite accept that it might be appropriate to say, “Well look parts of this are special in one way or another, do not come asking for wind turbines up there because the answer’s going to be no.”

Where the problem would come of course would be if it said that three quarters of the coastline is special, do not come asking for wind turbines.

[11.10]

DR CHAPMAN: That's another issue to have (inaudible) with the NZCPS.
Consistency between the two.

MR LACK: And the extent of it.

DR CHAPMAN: If you did proceed down this sort of no-go path you'd have to,
would you, identify no-go zones for different sorts of renewable
generation?

MR LACK: I suspect so.

DR CHAPMAN: Wind would be different from solar.

MR LACK: Well I suspect so, because thinking of the Peninsula and the
argument that goes, "Well as I'm on my boat out on the sea there, looking
at the coastline as I'm driving up, as I'm sitting in my house looking at the
coastline I don't want to look at a turbine that's 90 metres tall or even one
that's 30 metres tall." Presumably, the same person would have no
objection if the shed that's already there happened to have some solar
panels on its roof. Totally different animal. Would they object if somebody
found a geothermal source there and tapped into it and put another shed
next to it? Well, logically it's a different argument isn't it?

MRS BAUMANN: Just remind me about constraints or lack of them now on lines
companies to get into generation?

MR LACK: As part of the creating of efficiency in our industry back in the 1990s,
we were prohibited from being involved in such things. That legislation
has been progressively relaxed. So that now, we may generate, I think

without limit outside of our own areas. If I care to go and build a generating site in the South Island, I believe there's nothing to stop us doing that. Within our own areas, there are, I think, no limit on renewable generation, but limits on other than renewable generation.

MRS BAUMANN: I'm just a little out of date I can't remember. Thank you.

CHAIR: Those controls are they regulations are they or?

MR LACK: The Electricity Industry Reform Act.

CHAIR: So, it's in the Act.

MR LACK: Yes.

CHAIR: That's helpful. Just finally, could I just ask you, have you had a look at the promulgated policy statement on electricity transmission?

MR LACK: Not particularly closely. I mean, I am aware it is there. I believe that we may have made a submission on the subject. But if you'd like me to recite it, I'm afraid I can't.

CHAIR: No. We're just particularly interested from a lines company perspective how these two policies statements, that one and this proposed one line up. Would you like to have a look at that and perhaps get back to us? Might be just a two minute exercise.

MR LACK: Yes. One of the points that I made this submission at Paragraph 5 was that obviously there is associated plant which goes along with this, it's very much a matter of scale. One of the points that we certainly thought about the National Policy Statement on transmission lines, whether we

made it I can't recall off my head, was that regional infrastructure may well deserve the same level of protection as national infrastructure. To put in place something the scale of the proposed Contact wind farm in an area could not be done without reasonably significant infrastructure to export that power. Is that a matter of national importance? Well, I'm not sure that I'm qualified to judge, but given the scale of that project, and the scale of their energy needs I rather suspect that it is.

The Genesis Ophetu (ph) wind farm, if that were to proceed, is that of national importance? Less so. Although it's nice to have, it's not going to stop the lights from going out on its own. But on the hand, the infrastructure needed to export that power is nothing like on the same scale. If that proceeds it will be simply plug into our network in a way that anybody who wasn't an electricity engineer probably wouldn't even notice.

CHAIR: Just remind me please, the Genesis one was that 19 megawatts?

MR LACK: That bears verification, that's what my memory says, but I certainly couldn't put my hand on my heart and say that's correct.

CHAIR: And the proposed Contact one? No, we'll hear from Contact.

MR LACK: A couple of hundred, I think.

CHAIR: Well, thank you very much Mr Lack and we appreciate you coming along, and we certainly benefited from your submission. Thank you.

MR LACK: Thank you for your time.

CHAIR: Now, Mr Richards is it?

To be read in conjunction with
the tabled evidence/statement

MR RICHARDS: Yes.

CHAIR: Your timing is impeccable, because it's now time for morning tea and then we'll get straight into your submission.

ADJOURNED [11.16 am]

RESUMED [11.31 am]

Audio file: dpm 0065

CHAIR: Mr Richards, welcome and thank you for your submissions and your statement of evidence. We're in your hands really as to how you wish to run this, so -

MR RICHARDS: All right, I've basically done a summary of the submission and the evidence that we've put to the board, and I'll just run through that on the PowerPoint quickly, so we can start from there and then you can fire away with the questions.

CHAIR: Thank you.

MR RICHARDS: First off, I'd like to announce myself. I'm Jonathon Richards. I'm a Town Planner, with 18 years experience and I work for the ARC in the Policy Implementation Section.

My evidence today relates to the submission we made on 7th November 2008, and the evidence that has subsequently been submitted to that effect.

A quick summary of the ARC's position. We're actually welcoming the provision of a greater policy guidance, which is provided through the NPS. We actually support the outlying issues in the preamble and the objective, which is clearly stated and measureable. But what concerns ARC is that, while we give this support to this NPS, it's largely conditional. We basically seek a number of amendments, particularly with regard to the provision of guidance on the assessment of environmental effects. One of the key issues is how we deal with this in relation to Part 2 of the RMA.

I'll just give you some outlined context of where we're coming from. There's a variety of regional policy issues, which broadly align with the aim of the NPS and provide additional context for our position.

First off is the Auckland Sustainability Framework. This has been produced and developed by all of the regions, councils in partnership with central government agencies and stakeholders in the area. And it basically responds to climate change, and addresses unsustainable resource use, and those sort of issues that we face in the Auckland region at the moment. The ASF has a 100 year vision, and is designed to align short term investment, in action with long term economic, environmental and cultural outcomes. So that's one element of the regional policy context, which aligns with the idea of the NPS' aims.

The second one is the Auckland Regional Policy Statement, and the proposed change 6 to that. This directly addresses issues surrounding infrastructure provision, including renewable electricity generation. In general the Regional Policy Statement seeks to enable the provision of new regionally significant infrastructure, while ensuring that any adverse effects on the environment are avoided, remedied, or mitigated. The RPS clearly favours a shift towards renewable electricity generation, and it's important that the NPS facilitates the potential development of the contribution of these generation sources in the future.

And a third issue, which is quite key - we have had a few issues throughout Auckland's history, in terms of security of supply. One of the key issues that's coming out from that is largely relating to transmission, but also in terms of generation. So, the ARC considers security of supply is particularly important, almost essential to the growth and development of the Auckland region. Security of electricity supply may be negatively

affected by events, such as the rise in price of fuels, natural disasters, human error, failure of the grid, all sorts of issues that lie behind that. Therefore support the argument by diversifying the type and / or location of electricity generation, the impact of such events may be lessened, or avoided in the future.

A quick summary of the issues that the ARC consider relevant to this NPS. First off, it's achieving the purpose of the RMA, and the weighing of environmental facts. It's the element of balance that needs to be struck, in terms of considering the applications that will be before any decision making body.

Secondly, ensuring the policies therefore respect the preamble and objective.

Thirdly, recognising small and community scale renewable electricity generation activities.

Fourthly, considering economic benefits, where there are adverse environmental effects, and finally implementing the NPS.

The first one, achieving the purpose of the Act and the weighing of environmental effects. We consider that there is insufficient guidance within the NPS in terms of weighing the merits of renewable electricity generation, with the imperatives of Part 2 of the RMA. The NPS is intended to provide clear direction from central government, that the wider environmental benefits of renewable electricity generation must be recognised and balanced against potential adverse effects. However the NPS as proposed does not currently provide adequate guidance on how the balancing is to be achieved. There is an argument to say that to the contrary, that the policies suggest that some adverse effects could be

ignored. It's almost a case of by omission, and lack of clarity within that that the weighting is shifted. As a result the ARC do not consider this assists in ensuring that an appropriate balancing, or weighing exercise can be undertaken. I therefore maintain that in accordance with our November 2008 submission, that the NPS should include more directive policy to guide decision makers in balancing conflicting considerations, and to ensure that significant adverse effects are avoided. To do this, the NPS must recognise the weighing factors that might not favour a particular renewable energy generation project. This would include RMA Part 2 matters, such as natural character, amenity values, historic heritage, natural landscapes, natural features, flora and fauna, and the such. Those are matters recognised within the Preamble, but are not really stressed strongly in the policies. It is noted the NPS on electricity transmission provides for these matters directly within its policies and the ARC consider it to be desirable to take a similar approach in this NPS. Such alignment between the 2 documents would enhance clarity and consistency of interpretation.

The second point, ensuring policies respect the preamble and objective. The preamble clearly states the intention to promote renewable electricity generation, while acknowledging the necessary balancing of competing values, that define and direct the sustainable management purpose under Part 2 of the RMA, and should therefore be retained, in its entirety. The Objective appropriately focuses on a measurable target, being 90 percent of New Zealand electricity generated from renewable sources by 2025. So in those terms we've got the preamble and objective there. We feel that the policies don't quite fully give effect to those Objectives, particularly in terms of (inaudible) the adverse environmental facts, which is further down the list.

Thirdly, recognising small and community scale renewable electricity generation activities. We understand that this is a valid role for the NPS to address, and essentially that the activities at the individual and community scale also raise a level of awareness in opportunities, so it should be something that should be promoted. However we maintain that the intent of the NPS, to encourage these community scale renewable electricity generation activities, should therefore be retained, and in particular encouragement should be given to the investigation of small scale urban energy generation opportunities. There may be though potential difficulties in developing and enabling planning framework to give effect to this policy direction, due in part to the plethora of small scale renewable options. We've had some debate already this morning about the different types that can take place, and whether it's combined heat and power, or all sorts of small scale, solar panels, large wind farms, all sorts of different things that can happen there. In terms of small scale, there's a variety of different opportunities, and I've spoken to a few people in the area that are actually undertaking these on a day to day basis at the moment, to ascertain how they're getting on. It's usually quite costly, but they are investigating all sorts of different methods. Consequently the intent of the NPS to encourage small scale and community scale renewable electricity generation should be facilitated by minimising regulation on these facilities. One of the problems as well, is the constant changing technology. It's hard to keep up with that. An effective and efficient means of achieving this, whilst also reducing the burden on local authorities to manage these activities, would be through setting a common national standard for small and community scale renewable electricity generation activities, possibly through an NES.

[11.40 am]

Fourthly, which is the larger issue really. Considering economic benefits where there are adverse environmental effects. Renewable electricity generation, as with non-renewable electricity generation, has the potential to have significant adverse effects. Consideration of economic factors including how proposals contribute to security of supply and the value of avoiding carbon dioxide emissions should be included in plan provisions, and in consideration of proposals. Economic and efficiency factors and the potential contribution to the social economic wellbeing of the community are relevant, whether or not they outweigh any adverse, landscape, cultural, and other environmental effects of a proposal. I therefore consider that the NPS should provide guidance on how these matters are to be addressed and weighed. Essentially the weight of the decision making process will be done largely to a site by site basis. However some guidance would be appreciated on how we do that weighing exercise.

And finally implementing the NPS. The successful implementation of an NPS hinges on the clarity of policy, and consistency within the NPS itself. I therefore consider that the guidance that's provided doesn't have sufficient quality in these respects, and will reduce the resources needed for implementation. In other words, we're going to have to spend some more money on each decision as it comes through. Additional guidance would always be appreciated. The usual thing will be, "Oh well, we're off to Environment Court," and expenses that that includes.

Okay, what we've come up with is some suggested revisions to policies. These are suggestions and suggestions only, but they're where we are thinking that we could actually provide additional guidance, and address the concerns that the ARC has at the moment. For instance, Policy 1 promotes the use of renewable electricity generation as means by which the country may avoid, reduce, or displace the emission of greenhouse

gases. However the guidance offered in this policy, plus Policy 2 and 3, only really refers to renewable electricity generation, and does not acknowledge the statutory requirement to sustainably manage all relevant actual and physical resources. So the suggestion that we've come up, is to add a third point. In the opening text of the policy, we've actually wanted to give some definition to what the benefits of renewable electricity generation are in these terms, and so we'd like the inclusion of the words 'economic' and 'social,' to define what the benefits are. But the primary point of this change is the third one. Where, in assessing the benefits that the activity may produce, we need to ensure that the process is actually integrating the renewable electricity generation activity within the transmission network, and also the establishment of peak load, and/or backup generation, whilst avoiding, remedying and mitigating the effects of these activities.

Transmissions is a big issue through the Auckland region, and so that always features quite highly. But it's also the effects that any generation activity has. There's always going to be a transmission element to it. And I'm aware that there's a separate NPS for that, but I think it should be noted at this stage, that in assessing the overall process, - that, that has to be brought into account.

Policy 2, we're quite happy with that generally, that, that should be retained. And Policy 3, just a couple of minor changes we're suggesting. Where it says, 'had particular regard' we'd look for the word 'consider,' and also in terms of the reversibility of the adverse environmental effects associated with proposed generation technologies, we'd like to point out the likelihood of these reversibility issues.

There is one large issue that's we've been struggling with, is the issue of reversibility in itself. How do we define that in terms of our assessment?

Obviously it's an issue that we assess in most cases. Some people may consider it, I know some people who already have considered it within my offices, there's been a potentially reverse sensitivity issue as well, so there is a lack of clarity within that statement. In terms of reversibility - I think it's quite clear that we're talking about how we turn the process back. So, I think some additional definition, or link to the definition, the RMA may be helpful in that location.

Policy 4. Policies 4 and 5 are both intended to be directive, but I don't consider they provide the necessary guidance as to the content, or the extent of the changes to any planning documents that may be required. So we've also thought, well, maybe we should perhaps delete Policy 4, and maybe look at it addressing the larger issues, through, perhaps an NES. If an NES is proposed, which I think we'd like to see come forward, then Policy Four might be better addressed through that process.

In terms of Policy Five, we think this one should be retained, but again if an NES is being developed to enable activities associated with development and operation of small and community-scaled distributed renewable electricity generation, the NES could be developed in such a way to help inform the plan change or proposed change or variational (inaudible) under this policy. So it just gives that extra level of guidance that might be very useful in terms of dealing with these issues.

I noted from previous speakers that there is a lack of resources within many authorities to deal with these at the finite level. It's largely something, I think, that even at the ARC, which is a large organisation - we do have specific people that deal with some of these issues - however we would probably, and I think from my experience so far in what I've seen, we'd probably have to buy in the detailed expertise on all these issues as they went forward. So any additional guidance would obviously

be very beneficial. We've suggested some additional policies which would give us some help in dealing with the environmental effects issue, primarily. They are the key concerns that we'd have in terms of dealing with a resource consent that was notified and put through to us. I've come up with three policies, X, Y and Z. Policy X, this is what we're suggesting, that, "When considering the environmental effects of new renewable electricity generation infrastructure, decision makers must have particular regard to the extent to which any adverse effects have been avoided, remedied, or mitigated through the site selection process." This is featured in a few sites that we've dealt with in terms of generation, and it would be very useful to have that clearly stated for all parties when they are coming to the table, to see that the environmental effects of any site selection process needs to be fully upfront. Policy Y, this is another suggested policy that, "The planning and development of renewable electricity infrastructure should minimise adverse effects on the residential or recreational amenity, and general rural character." This again would also provide the additional level of guidance which would be beneficial in dealing with some of the schemes that have been put towards us so far. And finally, Policy Z, "Planning and development of renewal electricity generation infrastructure should avoid significant adverse effects on significant natural and cultural heritage values, including outstanding natural features and landscapes, areas of significant natural character and areas of high recreational value and amenity."

So these three policies are basically still focussing on the environmental effects, which is the key consideration under Part 2 of the RMA. So finally, the recommendation or conclusion, whichever you prefer. The broad approach should confirm the proposed National Policy Statement for renewable electricity generation, subject to the amendments as outlined, or any further or consequential amendments required to give effect to the issues raised above. Any questions?

[11.50 am]

MR GARDINER: Thank you very much. I'm interested in the ARC's position on community-scale renewable activities, and note that the view of ARC is that (inaudible) towards the hopefully overall goal of the NPS. What I'm interested in though is, one of the things that we are going to have a look at throughout is the threshold at which we draw the line, and in the NPS it sets 4 MW and there has been the suggestion that it should be raised to 10. Do you have a view on that?

MR RICHARDS: We did have a view. We had a view that we were inside it, which is one sort of view. The concern would be it's the actual physical feature that comes with it, so it's honestly an 'each on its merits' argument really, from our point of view. In terms of generation, I would leave that to more qualified engineers, but in terms of a planning exercise, it's what actually physically fits into the environment that we would be concerned with. And I think if a threshold is reasonable, whether that's right I'd have to get an engineer to say, whether it's 4 or 10. The last thing we want to do is spend an awful lot of time dealing with resource consents for things that are just too small for our consideration really, and they should just be able to get them through. I was speaking to some individuals where they have concerns about what consents they require in terms of putting solar panels on roofs and things like that, so these are really micro level, but at the ARC, we are really concerned with the major level issues.

MR GARDINER: Across the nation there are isolated communities like the East Coast, eastern Bay of Plenty, Ngati Paoa, Northland and would lend itself to this kind of policy. Within the ARC's kind of ambit, do you have any isolated population or most communities can be linked up to the line?

MR RICHARDS: For instance, we talked about Awhitu previously. That's actually in the grid. I mean most of the places within the Auckland region are reachable by some form of servicing. There are small scale communities out there which have an issue really because they're at the end of the line - that it might be a transmission issue. So for them it's more a case of do they actually want to supply some things specifically for themselves. In those cases, like the Awhitu Peninsula for instance, we have regionally-significant landscapes to consider, so there is a balancing exercise. We still need to go and take it from there. In terms of a general need for them, I think it's a good idea on the basis that it helps diversify the source of generation and reduce the reliance on maybe some transmission issues.

MRS BAUMANN: Hauraki Gulf

MR RICHARDS: Same again, they are reachable by power as far as I'm aware. The issue with those as well, we've got the Hauraki Gulf Act as well, so there is very much consideration in terms of nationally important landscapes.

MR GARDINER: Communities sometimes go to these isolated areas, go there by way of lifestyle choice, and therefore this kind of element would provide for them should they choose to do it.

MRS BAUMANN: Can you just remind me of the ARC area and what current renewable generation is in your area.

MR RICHARDS: We go all the way down to the middle of Franklin District, which is quite a way South. The Hanui range that we talked about before in terms of some dams there, which has some hydroelectric there. There is a strange grey area between us and Waikato because of the Local

Governments Administration Act for Auckland, which means that we have issues related to transport past Franklin, but other issues above that. North, we go all the way up through Rodney District as well, so we've got two large rural areas either side of the isthmus and the islands out in the Gulf as well. I'm not fully aware about the full range of the projects that are in there, but I notice the comments before from a previous speaker about the wind farms that are under debate. Obviously we have issues with some of the location elements to those, and we've been submitters on some of those schemes.

MRS BAUMANN: Am I correct that you haven't got any large scale wind currently developed?

MR RICHARDS: They're not actually developed at the moment. There is one that's got consent, and hasn't been implemented and the other one, I think the actual enquiry has been delayed for 12 months.

CHAIR: Which one is that?

MRS BAUMANN: Been adjourned, yes. Contact.

MR RICHARDS: There were issues about migratory birds.

MRS BAUMANN: Going through, I don't know how substantial the ASF is, but it may be relevant to what we're considering. We're not interested in other sustainability issues apart from ones that lead to renewable generation, but can I get a copy of that? And more importantly, your Plan Change 6. Am I right in understanding that in a way, that's doing some of things that we are trying to do with this NPS?

MR RICHARDS: Yes, it's that broad level, but it's in the context of addressing environmental effects as well, so I think it would be very useful to have a copy. Policy Change 6 hasn't gone through, it's still a proposed change.

MRS BAUMANN: Yes, but I mean it's an approach. It would be interesting. It has been notified, has it?

MR RICHARDS: Yes, I can supply those.

DR CHAPMAN: Can I pick up your Para 3.2.1 which is, sorry I'm referring back to the third page of your statement of evidence. You're referring here to, "The NPS as proposed does not currently provide adequate guidance on how this "balancing" is to be achieved. To the contrary, the policies suggest some adverse effects can be ignored." I just wonder if you can take us through how you reached that conclusion?

MR RICHARDS: I think it's largely on the basis that, when we look through the policies, it's by definition really, rather than by anything else. I think that's why we're striving with these policies X, Y and Z I referred to before, to avoid that sort of situation arising. I think it's more a potential hiccup than an actual one, but under the circumstances where I could see myself trying to defend the policy decision, and there's nothing directly to relate back to in the NPS, I think it might be more difficult to just use the Part 2 of the RMA rather than, in the light of what guidance is in here, it's just that additional guidance that we're striving to avoid that that omission issue isn't really fully up in front of us.

DR CHAPMAN: Yes, so it's a question really of being explicit, is it? The benefits or whatever that you're focussing on in regard to renewable.

MR RICHARDS: Entirely, yes.

DR CHAPMAN: That answer probably relates to some of the other questions I'm going to put to you. I guess, in 3.2.2 you say, "The NPS should include more directive policy to ensure that significant adverse effects are avoided." That is, may I suggest quite strong language? "To do this, the NPS must recognise the weighing factors." I guess my question there is do we end up simply replicating the whole Act, or the relevant bits?

[12.00 pm]

MR RICHARDS: I don't think it's an issue of replicating the whole Act. I take your point that we need to sort of draw a line in the sand somewhere. But I think it's relevant that some notification of recognition of these issues being very much at the heart of a decision making process should be there within the policy. I take your point that 'to ensure' is quite strongly worded, but if you take it in the context of balancing conflicting considerations, I think that's where we need to come from really. It's this balance issue. Obviously, we have various different issues to consider, particularly in terms of other policy documents knocking around and including Acts relating to the Hauraki Gulf, where there is significant landscape issues to be addressed and considered.

DR CHAPMAN: I suppose you make a similar point in 3.3.2 were you are talking about the guidance offered by Policies 1, 2 and 3 only refers to renewable electricity generation. It does not acknowledge the statutory requirements of sustainability and at all relevant natural resources. One might imagine that that's implicit in the Act and its working. And to that extent is that strictly necessary, or is it again, just a matter of being explicit.

MR RICHARDS: I think it's a case of being explicit. I mean we can take a few things as being implicit from the Act however one piece of policy guidance

can be used in two, or three different ways unless we are quite explicit about what we need.

DR CHAPMAN: Right, okay. On Section 3.4.1, you talk about particular encouragement should be given to the investigation of small scale urban energy generation opportunities. Why urban in particular? Why would one play to them?

MR RICHARDS: I think that's quite a focus that we've been having basically, because we're a very large urban area primarily, but I take the point. Within the urban area it's probably easier to accommodate some of these things, as part of the day to day building activities. Depends how small you go but there are potential within large urban areas to secure significant benefits. I take the point within rural areas it's significant too, that some benefits can be achieved there, I think it's just our slightly urban bias there.

DR CHAPMAN: Okay, so you're not making a particular distinction you just think, "Don't forget the urban area."

MR RICHARD: Exactly, I think it's more achievable to get big outcomes from small scale operations, or facilities within those locations.

DR CHAPMAN: Are you thinking there of solar energy in particular?

MR RICHARDS: That's the one I'm thinking of. Wind causes all sorts of neighbourhood problems, because of noise and visibility issues. So solar is one, but there is also, I mean, it's not really an issue for Auckland, it's more for somewhere like Rotorua I suppose, but there's geothermal issues and things like that, that could be looked at. But I mean one of the things that we looked at in the UK, some of the sites I dealt with, I did

actually look at combined heat and power for sort of large residential areas. Largely converting old buildings really, where you have the methods to do that. And those are going to be more prevalent inside an urban area, I would imagine, than in a rural location, on the basis that you've got existing buildings to reuse perhaps.

DR CHAPMAN: Are you thinking of renewable CHP, for example, pellet boilers and so on or are you thinking CHP generally?

MR RICHARDS: CHP generally but there's a variety of things aren't there and the world moves on all the time with the technology.

DR CHAPMAN: Yeah, okay. In 3.4.2 you talk about electricity generation should be facilitated by minimising regulation of such facilities, and I was interested in what you had in mind there?

MR RICHARDS: I think it's reminiscent of the conversations I've had with a few people that are trying to move this forward on a small scale individual day by day basis, where they're always worried about what resource consents they want. And that poses a time limit and a consenting issue and the overall cost of that that comes with it. We want to encourage this sort of thing as much as we can, within the context of, obviously, the adverse environmental impact. But I think that's where that minimum threshold really lies, doesn't it, really. It's, where do we set the threshold, so we can actually encourage these things to happen?

DR CHAPMAN: I guess I have a similar question on your reference to reducing the burden on local authorities to manage these activities. Is that really a burden in terms of the processing?

MR RICHARDS: That's my primary issue, as a resource management planner. As I said before, there's generally a will to pursue these as far as we can, I mean most people are in agreement, they are offering benefits of some sort and most things should be able to get through without too much of a hassle. The issue would be the process time it takes to deliver those.

DR CHAPMAN: Okay. On 3.5.1, you're advocating, or suggesting, that the NPS be quite explicit about economic factors, security of supply and the value of avoiding emissions. I wonder if those factors have not already been covered though, elsewhere in the NPS sufficiently.

MR RICHARDS: I think again, it's to have the two things on the table together. There's clear benefits that need to be identified, in terms of economic and social benefits that come out the scheme that's been promoted. And how do you balance that against the potential environmental impact of such a scheme going forward. So to be explicit about that, it makes it quite clear, that when we something in front of us, that they've addressed the benefits correctly and they've also addressed the environmental impact as well. So it's that two level of information exchange really. We want our information in front of us, so a decision can be made. So by being explicit, I think we actually nail colours to the mast and say, come on, let's get that information from you.

DR CHAPMAN: But are you saying they have to be in the same paragraph because don't forget that they are in - the benefits are outlined in Policy 1. But you are saying they've got to be explicitly in the same paragraph, as the adverse effects.

MR RICHARDS: I think it would be beneficial, I don't think it's essential. I think it just gives guidance in a more clear and concise way, as terms of a

resource management planner sitting there waiting to see what comes in front of him.

DR CHAPMAN: I guess my question in relation to 4.2.1, the recognition of the national significance of benefits of renewable electricity generation. And your change to Policy 1 is - I just have a question about whether it's necessary to state that integration with the transmission network and establishment of peak load and back up and so on. Is it necessary to state that, that's a benefit in Policy 1? I mean, sure, it's a consideration.

MR RICHARDS: I did actually struggle with the wording myself on that. So, I'm coming roughly from where you are. On balance, I think it's advisable to get it in there, whether this format of wording is or not. I mean it's an issue that needs to be considered. Whether it fits in this policy, or somewhere else, I'm not too sure. I would suggest that, viewing the overall issues relating, particularly in the Auckland area, where we've got quality of transmission issues, I think that's why we'd like it in there because it does potentially offer us some benefit if it's properly integrated. So in those terms, that's where I think the Auckland Regional Council is coming from with that, just on the basis that we've got this bit of a focus on transmission. However, I could quite happily live with that sitting somewhere else in there, but I still think the issue in terms of how it links in and integrates with the network needs to be considered.

[12.10 pm]

DR CHAPMAN: I can see that integration with the network and provision of back up generation are desirable. I guess I'm struggling with clarity of whether that benefits as such or merely considerations, for example, to be acknowledged, or constraints to be acknowledged in Policy 2.

MR RICHARDS: I actually do agree with you on this one, this is something I've been struggling myself with. Whether it fits there, under Policy 2, and Policy 2 might be a better location for it. So I'm quite happy to bow to anybody who wants to seek that change.

DR CHAPMAN: Okay, so you're not wedded to it being in Policy 1?

MR RICHARDS: I'm not wedded to any of these, these are suggestions from the ARC.

DR CHAPMAN: Okay, thank you, yes. It's more a matter of acknowledging these, that those issues are important.

MR RICHARDS: Yes, definitely.

DR CHAPMAN: Okay, thank you. I guess in relation to Policy 4 and Policy 5 where you raise the issue of addressing these issues through a National Environmental Standard, that raises the question, in my mind anyway, about whether there would be some uncertainty about whether an NES could better develop - in a sense, introduce an additional level about certainty.

MR RICHARDS: It does. I think that's again why we look at these as suggestions really, rather than imperatives. We're aware that there's a lot of time and resources that are required for all these projects and policy statements and NES's and the resources are finite so we can't sit around waiting for money to be allocated to deliver something so that's why they're suggestions, as a possible way forward. We do consider there to be an issue, particularly in terms of research and the general scale of, and nature of these things, that there's a lack of expertise within most planning departments to deal with them. So some form of high level guidance

would be very much appreciated. And that's where I think the NES idea is largely fixed to.

DR CHAPMAN: Yeah, okay. That's all my questions, thank you.

MRS BAUMANN: I've remembered what I wanted to ask you about and that is about tidal wave. Have you got any experience, comments?

MR RICHARDS: I don't have any from this country, only from a place called Llanidloes in Wales, and there was a tidal barrage supposed to be fitted there, and there was a serious environmental cost from that. I could have powered the town basically, but it sat on the seabed and it upset all the little creatures that go along the seabed, so it was actually seen to be too negative an outcome from anything else. So it's that balance again. In terms of tidal you've got to look at the overall net benefits and gains.

MRS BAUMANN: ARC hasn't done any research since -

MR RICHARDS: I'm unaware of any myself, but I can look into it, if you like.

CHAIR: Can I just follow up on the Llanidloes experience. Are you familiar with the - was that a called-in project?

MR RICHARDS: Oh, it was a long running project. There's also the Severn Tidal Barrage as well, which went through all sorts of debates and is still going through them today. It's an ongoing thing. The Severn Estuary obviously has a huge tidal range, about 12 metres, which can really harness quite a lot of power. And Llanidloes off the side of it really, so it's quite a sensitive location in terms of some of the things that live in the mudflats more than anything.

CHAIR: Yes, I'm just interested from your own knowledge and you may not have the detail, but what controls were used there with that project?

MR RICHARDS: It never got to fly off the ground. I think it got as far as the Welsh Assembly and then it might have been the Welsh Office at that time and never got any further. I think the local council investigating it, there was a submission from, I think it was National Power at the time. They were the main generating company in Britain. And I don't think it actually got very much further than that. The environmental impact assessments came back and sort of ruled it out before it actually got anywhere. The tidal barrage one across the Severn has been backwards and forwards for years. Every time they build a bridge they think, "Why don't we put some turbines on," but it never happens. So it's back on the table now but again the same issues are coming out, about what effects is this going to have on, basically, world important (inaudible) sites that they've got there. So, it's that balance, it never actually gets to the point where some formal agreement's made.

CHAIR: No. So it hasn't got to the stage of inquiry really.

MR RICHARDS: No, it's more dismissed at Council and Welsh Office level.

CHAIR: Now, if I could just turn to your Policy 3 suggestion please Mr Richards. We have some submissions about the level of uncertainty and the use of the words 'the relative degree', in the policy when it comes to policy guidance as it were. Do you have any conclusions on that?

MR RICHARDS: That could be fun couldn't it, relative to who?

CHAIR: Yes, quite.

MR RICHARDS: It's how we actually come down to that. I think in the context of the overall decision making process. I think it's almost a case of each site on its merits, within the context of the guidance we've got. But I still think there's always going to be that issues, isn't there, relative degree. How far do we go down that line? I mean, I think it's an individual decision maker's option on each site as they come forward. Most of these are few and far between, the ones they have real issues with. So, I think it could be each site on its merits case and (inaudible) defensible on that. But I do take the point that 'relative', or 'significant' are words that we can bandy around in the Environment Court quite a lot.

CHAIR: Yes, well the words you've suggested and likelihood are, there, it's approached, it's well known whether something more likely than not, and that's a judgement. But the 'relative degree' is not a term that is easy for a decision maker.

MR RICHARDS: It isn't, is it? In terms of trying to move that forward, I still think it's down to a site by site basis, based on the overall assessment of effects and benefits.

CHAIR: Now if I could just take you to your Policy 10, your suggested policy. Sorry, I'm on a different system. The Policy X, is that a policy that is also intended to address alternative sites?

MR RICHARDS: I think as part of a process on assessing site selection, some assessment of alternative sites would be useful, but I don't think it's necessary in every case. I think when we were looking for instance at a large power station site, some assessment alternative sites would have been very much useful, in terms of dealing with that, on the basis that we were arguing that some things should be better located within, or better proximity of existing settlements, rather than in an area of potential

environmental harm. Now, I think if you're looking at these schemes and put it on scale, if it's a small scale one, there's not going to be much site selection issues going on, it's probably going to be within the individual landowners, or even on their building. It's not going to be an issue. But, and in terms of wind farms for instance, they're going to be in locations where they have to be where the wind is coming to hit them at a decent rate. So, some form of site selection might be appreciated, but it's going to be within boundaries, it's going to be very much constrained on where you can, or can't put these things, in terms of -

CHAIR: Yes. Just interested in the sense that alternative sites under the Fourth Schedule are usually dealt with, where there are significant environmental effects, you then look at the alternatives. But on the other hand, if one's dealing with a plan change under Section 32, in say a hydro, either the local authority, or the Environment Court sometimes likes to know whether it's the last river it's dealing with nationally, but hasn't got any guidance in that respect. Or whether it's, how many rivers there are available for this, for this use of generation. So it's to work a policy that covers everything apart from the specific ARC issues. It just the term 'site selection' that really sticks out.

[12.20 pm]

MR RICHARDS: Yes, I think one of the concerns we'd have is for instance if a site, we'll go back to the peninsula argument that we talked about before. If a wind farm is located in what we'd consider to be a very significant landscape strip, could it not be located around the corner somewhere, just out of the landscape pocket that we're looking at. So, that's on a day to day process I'd look at those sort of schemes, but I take your point that the wider site selection process might be relevant, depends on the scheme that's come forward.

CHAIR: Yes, and whether that's a national policy's requirement.

MR RICHARDS: Yes

CHAIR: Now Policy Z, I understand, and it's a bit subtle, a little bit of what Dr Chapman was asking about, but Policy Z seems to cover most Section 6 matters, but on the other hand, not all. For instance biodiversity, unless that comes under natural character, but I don't think so, so biodiversity under Section 6.

MR RICHARDS: I think we've used the broad term 'natural features', which doesn't fully address that, but could be used to that effect. Again, I'm quite happy to pick up all of Section 6, through that process.

CHAIR: And would historic heritage cover that, because then you could pick up Māori issues for instance, which are not listed there.

MR RICHARDS: Yes, we usually term cultural heritage in both context. We look at archaeological, historical and iwi issues in those terms.

CHAIR: So you're not exactly replicating the wording.

MR RICHARDS: No, it's more coming from - I think the headings that we use within our RPS.

CHAIR: Now with the Hauraki Golf, the (inaudible) National Policy Statement through that act, can you recall whether there was an exemption as far as infrastructure is concerned?

MR RICHARDS: I'm unaware of an exemption on that basis.

CHAIR: Oh well, we can look that up -

MR RICHARDS: The key issue is obviously the environment there, around the islands. And all the things I've looked at so far in there have been subdivision issues, rather than infrastructure.

CHAIR: Yes, and have you found that that policy statement has been useful in the development of your own policies?

MR RICHARDS: Definitely has, yes. And has since been useful in local hearings and Environment Court.

CHAIR: So it's that degree of specificity that has been useful in Court?

MR RICHARDS: Oh it has, yes.

CHAIR: Would you, so just to sum up. A more prescriptive approach in this policy statement would be of assistance to your local authority.

MR RICHARDS: Oh it would, yes. I think what guidance we can get is always useful, particularly when we're developing our policies to deliver this. I mean, I don't want to get down to the level where you're writing a district plan for us, or anything like that. But it's that level of guidance that we've got, and as you know, when we turn up at Environment Court, if we've got a range of policy back, a logical step of policy behind us, going from the RMA, through an NPS, down to the regional policy statement and down to a district plan, there's quite a clear path of policy direction there, that we can use to help defend, or promote sites.

CHAIR: Yes, well the, it's this line we walk in a way, it's policy versus, to how you're looking at the policy. You've mentioned the NES alongside, but if

that were not possible, it's a question of how much of the level of specifics we can pick up in the policy statement when it comes to methods, and whether we should be doing that, for instance, specifying activity status for instance, or specifying performance standards, or - what you might get in an NES, but not necessarily in a policy statement.

MR RICHARDS: I agree. I'm not sure that, that would be an appropriate way of pursuing a policy statement through that, and that's why we're suggesting the NES as a way forward. These are matters I suppose, that individual plans can pick up, but it's that little small absence of a step guidance, which every authority will then have to reinvent the wheel, if every time they come up with these concepts I think. So, I think when we look at the submission we can see the need for Policy 4 and 5, but we think it might be better served if an NES was pursued. That's on a basis if an NES was going to be pursued.

CHAIR: Yes, otherwise with an expectation that we'd work up a more specific policy. Do you have marine farms within your areas?

MR RICHARDS: I'm unaware.

CHAIR: And if so, have you a view on the, I think it's the policy statement, the draft policy statement with the exclusion of offshore wind, tidal and wave generation from the small and community scale, distributed renewal electricity generation definition?

MR RICHARDS: There are issues around that in terms of anything on the coastal areas has serious implications for how we manage it, in terms of our overall approach to the coastal areas. Now, it's this issue of what's it going to involve, what is a 4 megawatts facility going to take. It doesn't mean that these things are excluded anyway, I mean, it will go through a

To be read in conjunction with
the tabled evidence/statement

consenting process. But it's whether or not we need to look at them as required. So, I'm quite happy to see them excluded from the small and community scale issue, on a basis that everybody gets a chance to make sure they fit into the coastal environment properly.

CHAIR: Well thank you very much Mr Richards. I've appreciated your submissions and your timing is spot on, so thank you. We would look forward to seeing the documents, particularly to see how you develop policies in these areas -

MR RICHARDS: I'll pass them through as soon as possible.

CHAIR: Thank you very much.

MR RICHARDS: Thank you.

CHAIR: Now Mr Cooper, have we got a Mr Cooper in here? Oh, we've got the Chairman.

MR FARNSWORTH: I decided that I should turn up, just as an indication of how seriously we view the matter of renewable energy. And Dr Somerville, I've just been coming to grips this morning with another of your very good documents on the Tainui. Now, well look, just listening to the submission before, it was quite interesting because my council sees the need and endorses the need to put a high level policy on renewable energy. That policy has to be well constructed, because of the spatial and geographical variation across the country. Its policies if not high level, could actually do the opposite of what they're actually intended to, in terms of encouraging the use of renewable energy.

If I could just put in context before I try to broaden the position that Northland finds itself in. Northland is looking to renewable energy to actually give us a window of opportunity to protect ourselves, all our power comes via Auckland. If anything goes wrong in Auckland we are literally powerless and that is quite critical for the whole of New Zealand, because the oil refinery, which produces most of our fuels is located in Marsden Point. So we would like to see a high level policy which encourages small and diverse and even large scale use of the natural resources in the Northland region. I could just draw your panel's attention to the fact that we have an application in the Mouth of the Kaipara Harbour, Crest Energy, and I'm a Trustee of a number of Māori blocks on the Pouto Peninsula and one of the trust's, of which I'm on, is currently working with Meridian Energy on a very large scale wind project on the Pouto Peninsula. That's going to have multiple benefits, not only in terms of power, but in terms of enhancing the returns from those particular pieces of land. So there can be some dual purposes. However, the rigors of the planning process that we have to go through is such that it takes a

hell of a long time, and if the high level policy can shortcut some of those Northland will be very grateful, so -

CHAIR: Just very quickly Mr Chairman, could you just read your name into the record please, because this is all being recorded, just into the microphone.

[12.30 pm]

MR FARNSWORTH: Is it? I'm Mark Farnsworth and I'm the Regional Council Chairperson for Northland.

CHAIR: Yes, thank you so much for that. And please don't go away.

MR FARNSWORTH: I'm not, I don't intend to.

CHAIR: Maybe, now just before you start Mr Farnsworth, would you mind just going back to the microphone. I know Mr Gardiner is particularly interested in some of these issues that you're referring to about the difficulties about distributing the electricity.

MR GARDINER: Kia ora. As we've gone through the country, one of the questions we have pursued is the NPS 5, which is the community small one. And I've tended to use examples like Northland, East Coast as areas where these small scale generation capacity elements might work. And I imagine you're - well starting at Paragraph 6, you're saying that there shouldn't be a megawatt limit to the generation capacity. Around the NPS says 4 megawatts and around the country a number of submitters have said that the threshold should be raised to 10 megawatts. Do you have a view about that?

MR FARNSWORTH: I think that if you set it too high, in some of the small communities, and we have - I'm sorry, let me put that in a geographical context. Northland rivers, for example, are very short-run high base way recession curves. In other words they don't carry a lot of volume. If you put an arbitrary limit too high, then the potential for communities, and we do have a lot of isolated communities, and if we go up to (inaudible), Parengarenga, all of those may be cut out from actually helping themselves and that would be a disappointment to me. That's why I said at the start of my statement that it should be a high level policy and not create another set of barriers.

MR GARDINER: Well the next issue then is what you're really asking for in Paragraph 5, is for the NPS to be a little bit more prescriptive about, so that in a sense I'm taking from that, that local authorities don't have to guess what this policy is requesting of them. Can you just explain that a little bit?

MR FARNSWORTH: Yes and no. It's just creating certainty for us. That's what we're looking for. Rather than trying to second guess the government, which we have to do, right since the Resource Management Act was put into place, if we can just have that certainty, and that certainty can be pitched quite high. I'm just looking for that.

MR GARDINER: Do you have any communities currently engaged in exploring opportunities that might arise out of this potential NPS 5? You talked about a Trust that you're on, looking at wind power. Is that a kind of to feed into the national grid, or is for a geographic area within you?

MR FARNSWORTH: Well the Pouto one is to feed into the national grid. They see a straight economic opportunity, that's also tied up with the New Zealand Superannuation Fund which currently now owns the forest which

To be read in conjunction with
the tabled evidence/statement

I used to manage, Pouto Forest Farm, and they are also getting involved in that project. So, the Trusts are looking for a commercial gain from that but at the same time supplying power to Northland.

MR GARDINER: And what about other parts of -

MR FARNSWORTH: We're aware, we have Ngawha of course, and that's being upgraded. And we have another project, which they are looking at (inaudible).

MR GARDINER: All right thank you very much for that.

CHAIR: Perhaps if we move on to the Mr Copper's shall we. Thank you Mr Farnsworth

MR COOPER: Good morning, my name is Vaughan Cooper, I am now the Infrastructure Senior Project Manager at the regional council.

CHAIR: I see you've changed some policies, I see.

MR COOPER: Yes, we had a restructure a little while ago. I'm still effectively in the same department, but now focus more on, basically more on infrastructure, which includes roads, transport, all that stuff as well as the electricity, all that kind of stuff. What I wanted to do was do a little bit of introduction around some of the issues, and Mark's already touched on a few of them, rather than speak directly to my submission. And just sort of set a picture generally. We talk about electricity generation in New Zealand and it's characterised by large scale clean generation in the South Island, some large dirty scale in the middle lower North Island, a national grid that is vulnerable and in constant need of upgrading, and an increasingly vocal opposition to power lines, making it difficult and time consuming to upgrade national and local grids.

In Northland, our Chairman has already talked about this, we currently have 30 megawatts of generation. Our geothermal plant at Ngawha, which is 25, our hydro plant in the Wairoa River on the Kaipara, which is 5 megawatts. Interestingly in 2010, demand in Northland will be 950 megawatts. So Ngawha provides I think it's 10 percent of the 5 percent.

Northland has significant risk at the national grid, at its bottleneck through Auckland. We have a couple of projects, well there's about 3 projects on the go, but significantly there's a tidal generation in the Kaipara Harbour currently in the Environment Court. That's if over time if it was built to full capacity, would be 200 megawatt. There's a number of wind farms on initial discussions and one in particular that hasn't been mentioned so far

is up at Ahipara in the Gumfields, still at the discussion phase with Department of Conservation.

So what does Northland need? We need national direction to ensure those significant generation projects get developed, i.e. the tidal, or wind farm proposals.

A more directive policy in the NPS to ensure those projects get through. National direction on the small and community scale generation. What types are preferred if any? What environmental effects are acceptable, for those kind of community scale things. What is community scale versus national scale? And this is where, we've said in our submissions that we oppose a numerical limit. For us it's, from the policy side, it was more about whether that generation is focused on the community, and there are examples particularly in the far, far North, where they are looking at hydro schemes that will just power their township, and that's it, nothing more. It's that kind of concept that it provides for that community. Not having a number limit where you're lower, because that can make things difficult.

National guidance on how do we consider the national benefit of community scale generation. And there's been some quite good discussion in the previous speaker on national environmental standards, versus national policy standards.

As well as guidance on economic benefits, particularly if you're going to look at a national benefit of a community scale system. And the national benefit of the significant generation, then you might need to look at the economic benefits and how you quantify those for a region.

Ultimately though, we're looking for a holistic approach to energy use in New Zealand and the NPS should be developed in conjunction with

national guidance on reducing energy use, adopting more efficient technologies, co-generation initiatives, reducing economic barriers and the ability for private community scale generation to easily sell electricity back to the national grid. We've had a lot of examples of those real small scale ones, where they either haven't, or found it really difficult to sell it back. And it seems quite an obvious way that - quite an obvious encouragement for more of that activity, and alignment with the transmission NPS.

Auckland has second generation RPS - we're in the planning stages of preparing our second generation regional policies statement. It may actually come out as a One Plan document. But we'll be looking toward a holistic approach in an energy chapter in this. So for us this national policy statement is really timely. We can have the national direction that will really help us get our regional planning sorted out. That was generally all of my scribbled notes, and I think we'll probably do a little bit of a tag team between Mark and myself to answer any questions.

CHAIR: Yes, so that would be very helpful. Just when you answer, if you could make sure you're at the lectern, if you don't mind, just for the record. Just before I ask my colleagues to ask you things, the example you gave of a small community doing hydro, is that community also looking at solar at all?

MR COOPER: I'd probably have to go and find out. My memory is it was just hydro, because it came up through discussions on our water and soil plan and actually putting a hydro system in. I'm more than happy to go and chase that up though. I understand it's just hydro.

CHAIR: And is that community on the - it's supplied by lines at the moment is it, or is it off-line?

MR COOPER: The one I was aware of, it was at the time when government was proposing to have the change in 2013, where potentially communities wouldn't be required to be serviced by the grid. And they were quite concerned they were going to get cut off. I believe they are actually able to get some power, how reliable it is and all those kind -

[12.40 pm]

MR GARDINER: What would be the size of the potential, for that little, for that servicing that community?

MR COOPER: How big was the hydro system?

CHAIR: If you don't know just get the information to Ms Beruldsen.

MR COOPER: I'll pass the information on, I would only be guessing.

DR CHAPMAN: Yes, I don't have many questions, just a couple. In relation to your Paragraph 3, you make the very valid point I think that the NPS should be part of a broader approach focusing on reducing energy use. More efficient technology, co-gen and so on. This should be reflected in the Preamble and the Objective. Now, the way that this is cast really, the Preamble if you like, sets the context and the Objective is more specific and really focuses on the aim of the NPS itself, but the Preamble is more of a context. Do you see it as more appropriate then to put that broader context in the Preamble, rather than in the Objective?

MR COOPER: I think we were hoping for both, the Preamble is sort of a bit of an explanation of what you're trying to achieve and it lays the context. Whereas if you go from that, the Objective really does talk about national significance of the project. So, it kind of picks up one part of a whole set

of issues around electricity. So that's why we're sort of looking for a mix of both. So put it in a Preamble, and kind of say how you fit to it, because potentially out of this, you could also see an NES on some of the building design standards and things, which are the reducing your energy use type things. And we didn't write in our submission, but from a policy point of view, it might have been useful to have a policy there that district plans are required to put those kind of things in, around the design of a house, and the way a house is built, the construction of a house, to reduce its overall energy use, before then looking at the renewable forms of electricity that you can provide to that house.

DR CHAPMAN: Okay, all right. So you're really casting quite a wide net in a way, aren't you? Well you're proposing that.

Just turning to your Para 5. You suggest that the NPS should clearly state how this is to occur. If the intention of Policies 4 and 5 is, "To enable activities -" on a small or community scale, "The NPS should clearly state how this is to occur, and identify policies to make it happen." Do you have specific suggestions about how that might be done?

MR COOPER: Not a - I don't have a draft policy in mind, if that's what you're asking. It's around -

DR CHAPMAN: Yeah, yes, essentially all. Maybe some outlines of how a draft policy would go.

MR COOPER: Yeah, the things I mentioned at the start around are there preferred types of the small scale generation? Are there a certain level of environmental effects that generally occur with those, and that's potentially to be acceptable? So, some guidance on that kind of stuff. And just some guidance on how you actually interpret whether it is community scale, or

national. Because I can see that being quite blurred potentially. Particularly when we have the examples of the 25 megawatt geothermal on the 5 megawatt Ngawha which could potentially just serve our Northland community, our far north community. But I think the, generally when people talk about generation, they actually think it as a small township, or even just a small village-type area. So some guidance on the type of population that you're trying to serve. The purpose of it, the small scale, which is kind of, if the grid was cut, that community would still be all right concept.

DR CHAPMAN: Does a problem arise there though, that sometimes a station could go in to serve a particular community, but at times it will generate more electricity than that community can absorb and it may be desirable to pump it into the national grid, because other places might need it. Do you accept that's a sort of -

MR COOPER: Absolutely, and we would hope that when they're pumping it in, that they get the money back and that community benefits from the excess supply, absolutely. That's what I mean, if there's potentially quite a blurring between community scale versus national, and there's some guidance on actually how you would interpret that and whether it's a percentage of the time of its electricity generates is for that community, but excess is put into national grid, or not. I wouldn't like to see it that community scale is completely isolated and off the grid. That misses an opportunity.

DR CHAPMAN: No, no, we're not proposing that. Okay, thank you very much.

MRS BAUMANN: I was just thinking about isolated communities without any connection and how dangerous that would be. There was something I was going to ask. You have a go, sorry.

CHAIR: Can I check, because your region is one of the few that's had the tidal (inaudible) - Kaipara Harbour matter. How have you found, did you make a submission with the New Zealand Coastal Policy Statement, proposed?

MR COOPER: A submission on the New Zealand, yes we did.

CHAIR: And how did you find the existing one and the proposed draft when it came to guidance for that project? I realise it's before the Environment Court, but when you dealt with it.

MR COOPER: I wouldn't be able to comment, I haven't had anything to do with that project. It's been processed by our consents department, within our council.

CHAIR: It's just that it's very helpful having you here, because you can give us some guidance about where you need help with your, developing your policies dealing with tidal and coastal. And -

MR FARNSWORTH: Dr Somerville, that's a really fraught area. And because the coast is seen as common clean space. And we're having to deal with this, and I relate my experience from the aquaculture experience that we're dealing with. And there is a great reluctance by anyone to have anything put into the coastal space that can impede anyone. It's quite amazing that we have this absolute attitude of having a clean area. The New Zealand coastal policy statement caters, in its present form, just caters, I have not looked at the draft, because we were, myself, but it just caters at the moment. But it's an area that I think will always, unless there's some very clear guidelines, will be a major hurdle to overcome for any project based on (inaudible).

CHAIR: Well it's interesting because you mentioned the marine farms, which seems to be a good analogy if you like.

MR FARNSWORTH: It is a good analogy.

CHAIR: Is the aquaculture management area approach, is that a way through dealing with tidal - areas where tidal -

MR FARNSWORTH: Dr Somerville, since that was put in place, we haven't had one new marine farm put into Northland.

CHAIR: Since that.

MR FARNSWORTH: That's the simple answer.

CHAIR: So, you haven't endeavoured to develop those AMA's.

MR FARNSWORTH: Oh yes, we have, we have, we have put in a huge effort to try and advance that. Because aquaculture is very important to Tangata Whenua in the North, it is - will be an industry in which something can happen. But it's been a very tortuous process.

CHAIR: And I take it that there's been very little national guidance as far as AMA's are concerned.

MR FARNSWORTH: Very little, but however the government has been right behind us and helping us. They recognise the gaps and they have really come to the party.

CHAIR: The other thing is, with your region - Mr Gardiner's been picking this up, there are some regions in New Zealand where this mix of small

community, large reticulated systems and so forth, is more apparent. For instance, the East Coast of the North Island and so forth, we have had some evidence about solar, and I realise Northland's got high sunshine hours and so forth.

MR FARNSWORTH: Yes it does.

CHAIR: Has the regional council been looking at solar opportunities at all?

MR FARNSWORTH: The short answer is no. We are aware of it. Mr Gardiner is right in his concentration on communities such as ours. We have a very poor grid area. Dargaville at the present moment, it can't attract large scale processing, because it just doesn't have a secure power supply. So Mr Gardiner has really hit the nail on the head when he identifies communities such as ours, and the limitations, which power, 'cos that's why we're here today. We are just trying to highlight the fact is that, it's actually more than just renewable resource, it is how power is put to communities. And renewable resources gives us the potential to address some of the ills, which we currently have.

CHAIR: And I take it you have other geothermal resources apart from the Ngawha one do you?

MR FARNSWORTH: Not that we're aware of. Not that we're aware of.

CHAIR: We have heard some evidence about hot rock technology, the possibility of getting way down and getting some energy -

MR FARNSWORTH: Then the volcanic fields of Kaikohe, of Mangere and that, would then, and Whangarei might offer some potential.

[12.50 pm]

CHAIR: But your plan review, which I realise is a major task, but if you're dealing with a One Plan approach, you're dealing with land use, as well as air and water and so forth.

MR FARNSWORTH: Yeah, I think we need to put the One Plan into context. The One Plan is really just rolling the district plans and the regional plan under one heading using the RPS as an umbrella, and I think you, I think we just need to make that clear what that means. It doesn't mean per se, just one plan.

CHAIR: I'm with you. So when it comes to , we've had some evidence, submissions, about the possibility of identifying areas where there may be high landscape values and it's better to have those identified, so that generating opportunities aren't pursued at great expense and not get anywhere.

MR FARNSWORTH: I'll leave that to the technical expert.

CHAIR: Yes certainly.

MR COOPER: Perhaps I'll just give a little bit of explanation of what we're actually doing before we prepare our regional policy statement. We, in our little department, following the restructure, we have an economic person, an infrastructure person, an environment person, each of us is tasked with writing a strategy of the key things that matter for those topics. So we're going to come up with an environmental plan and it will pick out things like landscapes and say these are really important. We'll then also have an economic plan which will be, what are the key areas, aquaculture, for example, of an industry we want to grow. I'm then tasked with looking at

what infrastructure you need between the two and electricity is obviously quite a key one. So you're identifying the key things in the environment you need to look after, as well as growing your economy, and how we match all those up. We will then use that information in a high level to prepare our regional policy statement.

MRS BAUMANN: And that will drive the One Plan.

MR COOPER: The Regional Policy Statement/One Plan are pretty much the same thing in our view, they, it's just the way you frame your resource management planning documents.

CHAIR: We also understand the difficulty with certain values, because you've got competing values in your area, we have had wind maps that show great wind resource right up to Cape Reinga, and the difficulties of putting, in landscape terms and cultural terms, putting wind farms -

MR COOPER: Those areas, I assume you're referring to the -

CHAIR: The NIWA work.

MR COOPER: Yeah is it NIWA - Sinclair Knight Merz I think did -

MRS BAUMANN: Oh yeah, SKM too.

MR COOPER: SKM to start off. Yeah, they don't take into account any of the environmental considerations. It refers to Ngawha as being potential for 60 megawatts actually you could get out of it, and it does map those areas for where wind farms would be good, but it hasn't looked at all the outstanding landscapes and -

CHAIR: Well, this was the point that, and Dr Chapman has been raising it earlier, is it preferable to at the national level to direct, or to give some guidance for local authorities, as to the areas where some should be excluded, rather than the potential, which doesn't cover all the resource management issues, is that, Mr Farnsworth -

MR FARNSWORTH: Yes, look it would, it would be of great help, because clearly Waipawa Forest and the coastal areas could give you great wind, it would be awful to have a wind farm there. That's an area of natural significance. I think areas of outstanding landscape of natural significance should be excluded. I think there'd have to be a very good reason, why you would want to put structures, or things in those areas.

MR GARDINER: That would exclude a lot of the north, the north is historical isn't it?

MR FARNSWORTH: Oh, no, no, it doesn't, it doesn't. It means that you've got to make some clear choices and you've got to take your community with you. There are some areas, I use the coast every week and there would be some areas, which I'd be appalled if they had wind farms. Others, quite honestly, out of sight, out of mind. Poutu Peninsula's a fantastic place for a wind farm.

DR CHAPMAN: I just have one further question. The potential for co-gen using forestry resources, and perhaps even pellet boilers, as an industrial heat source or a commercial heat source using wood pellets.

MR FARNSWORTH: Dr Chapman, we are actually pursuing that area. The refinery itself is looking at co-gen areas and nuclei of forest processing at Marsden Point, and there is the distinct opportunity to have co-gen, however, there may be an air quality problem. And the refinery, there's an

air quality bubble there - which I'm sure my colleague on my left here would talk about, and that may be a problem, but certainly co-generation is a real thing. Northland has the second biggest area of exotic forest plantations in the country. I don't think that's well known either. And 60 percent of that is currently processed, so there is a lot of stuff that could be used, it's a very good observation.

DR CHAPMAN: Yeah, that's interesting, yeah.

MRS BAUMANN: Now, it was tidal that I wanted to talk about - thank you.

CHAIR: Well we're very grateful. And thank you for coming in as well, Mr Farnsworth, I appreciate the significance of the issue to have you here. So If you could liaise with Ms Beruldsen on any further information you want to give us, we would appreciate that, thanks so much.

MR FARNSWORTH: Thank you for the hearing, and I (inaudible) advantage. It was well worth coming down, thank you.

ADJOURNED **[12.56 pm]**

RESUMED [2.00 pm]

Audio file: dpm 0066

MR WYATT: Afternoon.

CHAIR: Is it?

MR WYATT: Yes, my name's Jeremy Wyatt.

CHAIR: Welcome, welcome.

MR WYATT: Thank you.

CHAIR: Just to advise you that everything you say is recorded and goes onto a transcript and finds its way onto the website. I won't introduce us, you can see who we are and we look forward to hearing what you have to say. We've read your submissions so feel free to approach it however you like.

MR WYATT: Great. There is a sheet in front of you, just three pages, just a few matters that I would like to (inaudible) of our submission today. But firstly, thanks for inviting us along to say a few words. I'd just highlight three main points from our submission that we see as possibly problematic from our point of view. We're an urban city council, North Shore and as such, we don't have any particular expertise in renewable energy. But our submission comes from the perspective of policy advisors who'll be assisting in the vetting in process should the National Policy Statement proceeds. So, we'd like to see it run as smooth as possible with minimum costs and major primary benefits. So, that's our perspective.

We're (inaudible) National Policy Statement and to increase potential government guidance. But in our view in this current form the National Policy Statement is opposed as we feel it will incur considerable costs but won't be able to contribute meaningfully to the benefits that arise from renewable electricity generation.

Just like to comment briefly on the following matters. As I said, the relationship between the proposed National Policy Statement and Section 7 (j), the reference in the objective to 90 percent of renewable electricity being generated by renewable energy sources, in our view of the uncertainty and the difficulties contained in Policies 4 and 5. I guess you probably heard a lot about those first two bullet points so I don't whether I can skip those if you like or I can go into them, it's up to you.

CHAIR: No, it would be quite helpful if you can go through them please.

MR WYATT: Firstly, effective of the proposed National Policy Statement. In the preamble the National Policy Statement outlines the cost of renewable electricity often local but many of the benefits are experienced nationally. Section 7 of the Resource Management Act outlines those matters which decision makers shall have particular regard to. Of particular interest is clause (j), which deals - 7(j) which deals with the benefits to be derived from renewable energy.

At this level the national benefit is already dealt with in parts of the Act. On page 19 of the Section 32 it states that the current RMA decision making framework requires decision makers to consider the benefits of renewable electricity generation. But does not clarify the nature of these benefits nor provide guidance on the weight that should be afforded to them.

Policy 1 goes onto clarify the nature of the benefits which a decision maker must have particular regard to. However, in our view while the benefits are being espoused it is not possible to provide meaningful guidance on the weight that should be afforded to these benefits. The weight to be given to the benefits in any particular application will vary according to the facts of that situation.

As in our view, the NPS doesn't provide effective guidance over and above that contained in Section 7 already. To proceed with an NPS as it currently drafted creates more problems than it solves due to the uncertainty inherent in the policies and the costs to local government of implementing those policies.

Secondly, the objective. We have a few concerns about the reference and target of 90 percent of electricity being generated from renewable sources by the year 2025. On a purely procedural basis should the target be altered in the future presumably the National Policy Statement will also have to be altered. While this process can be less intensive than the current process we consider it would be best to avoid this possibility.

More fundamentally, given that we're dealing with the RMA sensible to train the objective in terms of an effects based approach. Another submitter, I think it was Wellington City has noted it would be a better approach to reference the objective in terms of reducing greenhouse gases and improving the security of supply. We would agree with this. Also note that the last part of the objective could be removed completely. Another note, that it loses a little bit of its measurability but that's another option.

Thirdly, Policy 4. North Shore is particularly concerned about Policies 4 and 5 as these policies have potential to create the most amount of work

for territorial authorities. For a council such as us, which has little or no experience in renewable electricity generation the application of these policies is unclear. We can see that part one of Policy 4 is particularly applicable to wind turbine or hydro possibilities.

However, Part 2 is unfair to us. What is research scale investigation and what is emerging renewable electricity generation technologies and methods? The Section 32 doesn't provide any guidance and the definition or non-statutory guidance is in our view crucial.

Guidance is especially necessary if the methods to be introduced will include rules. Without knowing the envelope of effects that a research scale investigation will create it is difficult to justify any rules that regulate them. Generic objectives and policies are possible but these could be done at a national scale to encourage consistency and to save local authorities around the country the multiple expense of doing so.

Part of the justification for the requirement to introduce a plan change concerning the emerging renewable electricity generation technologies and methods is because this will assist the investigation of new technologies by smaller providers. The Section 32 advises that smaller providers tend to be more innovative than larger players who tend to be technology followers. We're unsure how District Plan may facilitate new innovation in this area. The static nature of District Plans is well understood and is one of the reasons behind recent initiatives to amend the RMA.

By the time a District Plan gets around to enabling research scale investigation into emerging renewable electricity generation technologies, technology is likely to be mainstream or already obsolete. Even if the

District Plan succeeds in a meaningful way in enabling some research scale investigation this will only be a snapshot of a time which will then probably remain static until the next plan review.

Currently, territorial authorities have no discretion in the implementation of Policy 4. In an urban environment like North Shore it seems unlikely there will be sufficient opportunities for renewable electricity generation to justify such a plan change. In our view some discretion is appropriate as to whether such a plan change is required. The policy could be amended to read, local authorities are to notify where appropriate.

In this policy and also in Policy 5, the use of the word enable is potentially problematic. We accept that this word is virtually beyond definition but endorse the suggestion of a submitter who suggested replacing this with the phrase, remove unnecessary barriers to.

Finally, Policy 5 in small households scale structures. In reading the summary submissions it is apparent that there is some confusion about Policy 5 and whether it applies to household scale solar water heating and wind structures. In our view it does or at least should apply to these structures. But this demonstrates that further guidance from MfE is required to clearly delineate the intended application of the Policy.

For example, the definition of renewable electricity generation refers specifically to generation of electricity from solar, wind and hydro etcetera. Under this definition it seems to us that a photovoltaic system that converts solar power to electricity and that electricity is then used to heat water would be included under the National Policy Statement.

However, a solar water heating system which directly heated the water using the suns rays may not as it not generating electricity to heat the

water. It's not being demonstrated in the Section 32 that structures of this nature have been precluded by rules or lack of rule and District Plans around the country. In North Shore no specific provisions are provided to these structures and they're subject only to the normal building envelope restrictions.

If Policy 5 does apply to small scale household structures and there is a demonstrative need to introduce provisions to facilitate these structures, we suggest it would be more cost efficient for MfE to prepare a National Environment Standard. Structures that are already on the market could be classed as permitted activities subject to a clearly outlined envelope of effects. In a similar way to the recent National Environmental Standards for telecommunication facilities. While this would still require local authorities to implement and administer an NES it would save the cost of each preparing such a plan change and would ensure consistency around the country.

On this point we note again that, any introduction of a National Policy Statement or National Environment Standard needs to be supported by information to explain and guide the initiative. This would ensure that the same issues do not have to be researched and addressed many times across the country. Such information also needs to be supplied in a timely fashion. We note that the National Environmental Standard for telecommunication facilities was released in September of 2008 and the practice guide on the implementation of the standards is still in draft form and that's causing unnecessary uncertainty and work across the country.

[2.10 pm]

CHAIR: Thank you very much.

MR WYATT: Thank you for listening.

CHAIR: We do some questions if you don't mind.

MR WYATT: Certainly.

MR GARDINER: I can understand (inaudible) the theme that seems to be emerging out of the local government that the target of 90 percent should be abolished. What interests me is that we've heard, last week I think, was that within 18 years the demand for electricity or energy continues the way it's going now then we're going to need to double almost the entire dams in the South Island, geothermal, wind power to meet that demand. My question really is one of, if we don't set targets not 90 percent or by 2025, how is it that local governments are going to contribute towards the demand and when there's no context for it?

MR WYATT: Sure I can understand that and I think I made a comment about, if you did remove that objective it would be less measurable and otherwise. And so, I can see the point of your question. I guess, our view is when it comes down to it, if a decision maker is making a call or weighing up particularly alternatives or facts per case, that 90 percent target that applies all over the country is of little relevance to that case.

In the sense that, that person is not going to go and look at all the other applications that are enforced around the country and try and weigh up whether those are applications are going to be decided or not. And then come to the conclusion on your case as to whether that needs to be actually continue - that application needs to go forward to meet that 90 percent target. So, it's a bit of a - taken into account in any particular situation on the facts of the case doesn't seem to be that relevant really.

MR GARDINER: No, I understand where local council (inaudible) but what I don't understand is if we don't have targets I mean, if the government accepts what we heard from a large generator in the last week or so. Then again, there have to be other strategies and in fact maybe targeted, best fits specific targets to different regions depending on what capacity those regions have to contribute towards this 90 percent.

By not having it, it seems to me that we basically say to local government, well you guys get on and do the best you can with what you've got and in fact the choices at local level maybe inconsistent with a National Policy of the government. So that's the point I'm making and to be honest I haven't been convinced of the theme that's coming through that the 90 percent should be got rid of.

The other question is the question of the costs. When you say that that you're opposed, North Shore is opposed to the NPS because of the considerable costs have you quantified these?

MR WYATT: Not in a scale which is really relevant to this application. Just in terms of the normal -

MR GARDINER: Is there a cost that you've got which it says, if we follow these things particularly 4 and 5 then it's going to cost us this much?

MR WYATT: I can give you - I can come back to the Board with an estimation.

MR GARDINER: I'd be interested. It goes to the heart of also the local government submission. Which is that, is going to cost us a lot of money. And they told us this morning that we're going to hear from all you people telling us why it's going to be costly. But not actually why but the

arguments that you're going to (inaudible) to support the local government submission. All right, thank you.

MRS BAUMANN: Sorry I'm going to pursue you a bit more on the cost side.

MR WYATT: Sure.

MRS BAUMANN: Can you just categorize the costs rather than quantify them?

MR WYATT: Well, from our perspective, from a plan change obviously there's the community consultation aspects which we would still probably do in this case even though we're obliged to go ahead with it. And then there's the policy work on

MR WYATT: in this case even though we're obliged to go ahead with it. And then there's the policy work on categorizing those coming through with a Section 32 justification document and probably be a few consultants to actually get in tune with the renewable electricity matters seeming that North Shore doesn't have any significant expertise in that.

Drawing up the plan change and then notifying it and going through all the administrative steps with submissions, further submissions. Writing a hearing report, well, as the law currently stands this may change in the near future, writing a hearing report. Issuing all that to all the submitters and turning up at the hearing. Employing independent commissioners I would suspect. And then preparing decision notice at which all that would probably take a couple of well - there's a statutory of limit of two years from the moment it's been notified. But including research time I'd say it may take up to two years depending on how much information we had previously from the Ministry for the Environment to make our research quicker.

MRS BAUMANN: You going through a - what's your state stage at the moment as far as your current plan, review or?

MR WYATT: Well, this will change of course next year. The Super City vote, we were planning to release our second generation plan just after this - the date set forth in Policies 4 and 5 actually. So, that wasn't a bad time for us. But that will all change as of next year when the Super City becomes a reality.

MRS BAUMANN: So, do I understand your submission that if we knitted it into a new plan, plan change whatever you're going to do for the Super City, the cost would be numerated?

MR WYATT: I guess in terms of the administrative costs given that you'd be - you wouldn't have to do a whole set of new - whole separate plan change for -

MRS BAUMANN: One topic.

MR WYATT: For one particular thing and it would be bound up in all the rest. But, I mean, the research and everything like that would remain largely similar I expect.

MRS BAUMANN: I'm just struggling a bit that local authority's feel that they can sort of avoid this issue and really it is ultimately a planning issue.

MR WYATT: Sure, I mean, I think I explained in our original submission that we were planning to put things, household scale matters in like, solar and windmills if appropriate into our second generation plan. I think, from our perspective anyway, I can't speak for the other local authorities, the

majority of the problem perhaps we have is that there doesn't seem to be a lot of black and white information supporting, yet, supporting us in what we may have to do at that time in terms of what these rules will actually be advising.

MRS BAUMANN: So, we may be able to satisfy you on the cost front by changing things and giving more guidance?

MR WYATT: That's one way of doing it and certainly giving more guidance. Perhaps if there is any opportunity to pursue a few more things nationally and you don't have to do 70-whatever plan changes across the country? That would also save a lot of costs nationally.

MRS BAUMANN: I'm not quite sure under the RMA how one can deliver and accept ultimately through the local planning instruments.

MR WYATT: Sure, I mean, explore briefly here the possibilities of National Environment Standard whether that's appropriate or not is another question.

MRS BAUMANN: In your submission and all this whenever it was, you discuss Policy 2. And I was just trying to follow, have you got that submission with you?

MR WYATT: Yes.

MRS BAUMANN: Its last paragraph before you start on Policy 3. I was trying to understand your argument there. You seem to be suggesting utilities are - can you just explain that paragraph to me please.

[2.20 pm]

MR WYATT: Sure, I can do that. I guess the background to this, is we did a utilities plan change recently and TransPower came through with arguments similar to Policy 2, saying that the operational and operational requirements and technical requirements of say, transmission lines were such that there was a limited amount that they could do in terms of overt avoiding or remedying or mitigating adverse effects. Which I guess is similar intent to what Policy 2 and the National Policy Statement is trying to achieve.

And so they were trying to - they were putting pressure on us and I think we put a policy in there a little bit similar to Policy 2 to say that, well there's not a lot you can do, these structures are very utilitarian, they're very ugly but hey, we all need power. So there's no way - two ways you can get around that really. So that paragraph just tries to bring that out.

That last sentence there where it says, we would expect there'll be pressure from generators to introduce policies that compliment Policy 2. Obviously that is not really quite correct in the context of this National Policy Statement given that there's no requirement - they'll be effective anyway. So there won't be any requirement to put those in.

MRS BAUMANN: That helps, thank you. Am I right in believing that you haven't really got any generation (inaudible)?

MR WYATT: Absolutely.

MRS BAUMANN: North Shore currently.

MR WYATT: I don't know of so. We've got a couple of - a methane thing coming out of a landfill which generates electricity and the waste from the sewage pipe generates some electricity but apart from that.

MRS BAUMANN: Solar, you have solar power?

MR WYATT: Other than a small solars on various houses it's yeah, very little.

MRS BAUMANN: What the story about solar on houses, does that require consent (inaudible)?

MR WYATT: Not specifically. But if they run into height or height to boundary issues that'd be the only thing.

MRS BAUMANN: Well, that's 'cos of the height rather than the solar, yeah.

MR WYATT: Exactly, rather than the solar. I guess in heritage areas there may be a problem with them putting them on the front of the streetscape.

MRS BAUMANN: But we can't (inaudible) streetscape rules.

MR WYATT: Yeah and that would be something that we'd like to look into in our second generation plan in terms of making those a bit freer and maybe excluding them from height to boundary where appropriate.

DR CHAPMAN: Just on the 90 percent one, your aversion to the 90 percent target. Well, it does concern you perhaps I should say. Given that the objective simply to recognise the significance of it and such that 90 percent will be (inaudible). It doesn't do anything (inaudible) require recognition. Is this recognition such a problem, recognition of these national significance of renewables?

MR WYATT: You mean recognition of the 90 percent?

DR CHAPMAN: Well yeah. I mean, it's recognition, the words are, to recognise the national significance of renewables, and I'm paraphrasing, such that 90 percent of New Zealand's electricity will be generated from renewable source by 2025. So, it sits behind recognition but the active burden there is to recognise the national significance. So, does that necessarily mean that councils are going to get tied up comparing at the consent level one development with another or with the overall country target or are they just going to say, look we understand that government's concern about this overall target, we recognise their concern and the benefits thereof and so on.

MR WYATT: I mean, I think that's a fair way of looking at. I think it's always important to try and pare it down to a situation of what could (inaudible). Certainly play devil's advocate a little bit and see where things could go wrong because then obviously you can make sure that you're going to go through with something that works. And I think in the long run probably that will be the way that it will be interpreted given that the impossibility of comparing projects across the country etc. So, yeah I mean, that's probably a fair statement.

DR CHAPMAN: Good, okay. I was interested in your comments on Policy 1 where you said towards the end of your submission paragraph on that. In our opinion, Policy 1 clarifies some of the benefits but does not provide guidance on the weight which would be afforded to them over and above (inaudible) 7 (i) and (j). So, the question really is, how might Policy 1 do that if you think it's a good idea?

MR WYATT: Sorry is this in the original submission?

DR CHAPMAN: Yes, sorry it's in the original submission. And I'm looking at your - just before the heading Policy 2, last paragraph there. And I'm just focusing on that comment you say, in our opinion Policy 1 clarifies some of the benefits but does not provide guidance on the weight there should be afforded to them. So, how could do that? How could weight be accorded?

MR WYATT: Sure. I've been giving it a little bit of thought to that and as I think I briefly said in my oral submission, I'm not sure it can. I'm sure if it, if it's possible you guys will hear it and come up with it. But the benefits of national - of renewable electricity generation are set out and any application they'd be weighed against all the adverse effects, local effects and otherwise that maybe (inaudible) in that particular application.

Other than setting them out as they have been done here in Policy 1, 2, 3 and making clear what those benefits and or restrictions are. In any particular application I wonder whether it's really possible to set it out in words how as a general principal how that should be applied. Particularly considering the National Policy Statement is subject to Part 2 and all that entails.

DR CHAPMAN: Yeah, we do face a bit of a conundrum there really. If we're going to do reduce the scope perhaps confusion. One, you've had some evidence that people - that perhaps the NPS could identify particular benefits as priority concerns. Whether that be security of supply or greenhouse gas reduction. Perhaps weighting those more highly than or explicitly weighting them more highly than other benefits. But do you see any merit in that?

MR WYATT: Well off the top I'm not sure I do actually. You've got the two benefits there and it says it's non-exclusive so there's others there. I mean, I think there's merit including perhaps more of the benefits in there. I mean, I guess -

DR CHAPMAN: We could lengthen the list.

MR WYATT: Yes, could lengthen the list. But whether you want to weight those particularly. I'm not sure, I think the weighting is more important as to in terms of how it's weighted against the adverse affects rather than benefits against each other. Weighting ranking benefits doesn't seem to me to be - to provide a lot of value because the problem really is the way that they are dealt with in terms of their (inaudible).

DR CHAPMAN: Section 6 and 7 matters really. Okay, on Policy 4, you say, we're unsure whether this is appropriate, territorial authorities taking a proactive role. And now in our opinion both part 1 and Part 2, little 1, little 2. Should be removed or redrafted (inaudible). Perhaps you could give me an idea of what you had in mind with redrafting. I recognise that you've got some subsequent paragraphs there that offer some possibilities.

MR WYATT: I guess it's more just perhaps providing definitions or making a little bit clearer about what those one or two actually mean. What their scope is, what their limits are. Particularly I guess as I said, not being from a Council with much experience in the way of renewable electricity generation those signifiers or terms really mean nothing to us. So, with research investigation perhaps that would be made clearer but I think without some sort of further guidance in those policies or a definition we're a bit lost as to actually that means. It's more in the scope of just, can you give us a bit more indication of what that actually is.

[2.30 pm]

DR CHAPMAN: Okay. Just following that up, we've had a number of submissions to the effect that it's very difficult for a council through a plan change or whatever, to identify successfully the areas where particular forms of renewable energy might be - renewable electricity might be appropriate. (inaudible) technology and commercial was certainly processed. Then I guess, excuse me, you have made much that point about, in our opinion District Plans cannot lead the market.

Having said that, it's quite often that we hear that there may be a case for no-go areas where the councils identify areas where for one reason or another for landscape values or whatever, certain areas should not be developed. Do you see merit in that?

MR WYATT: Well I guess it'll narrow the playing field, so to speak. And perhaps require less investigation of a technical nature. Which councils will be (inaudible) consultants etc. for an essentially, one could (inaudible) the private sectors work for them. So, if there's other reasons why that shouldn't take place such as Section 6 matters. Then I think that's a good way to go forward.

DR CHAPMAN: No, that's all I've got. Thank you.

CHAIR: Just because of the, probably the unusual situation, your area doesn't have any major facilities. But however, it's important for this policy statement to address areas like yours as well as (inaudible) larger generation facilities. The regional council's Plan Change 6, does that give any direction as to the methods to be used for say promoting solar in an urban area?

MR WYATT: I'm not aware of any. But I'm not really that familiar with Plan Change 6 so I'd have to get back to you if I could.

CHAIR: Well I think we're going to see Plan Change 6. But you'll need to implement that won't you in your decision making?

MR WYATT: We will, yeah if - well whether that may come to a halt now.

CHAIR: Yes exactly. And again, with the environmental sustainability framework your council would have been a party to that.

MR WYATT: Yeah.

CHAIR: Talking about timing. It appears under Section 55 of Resource Management Act it's not a discretionary matter for local authorities whether it implements a National Policy Statement. In fact, you have to do as soon as practical in your plans or within the time specified in the policy statement. And it's got a third control which says, or before the currents and events specified in the National Policy Statement. And it's crossed my mind that we have got this issue of the Super City and the way that that's coming together would be somewhat silly to have something implemented in an instrument that's going to be replaced in a couple of years. And whether that could be an event that specified in the policy statement as far as Auckland is - the Auckland regions are concerned. Have you got any views on that?

MR WYATT: As I understand it, with our work on your individual plans will pretty much cease unless any plan changes can be out of the way by, I think 30th of June next year.

CHAIR: 30th of June. Just tell us the process as you understand it of the Super City. How you're going to address all the plan reviews. Are you saying that all the different TAs and local authorities will just stop doing any planning as of the 30th of June next year?

MR WYATT: Well, we got an email this morning saying something about the Auckland transition authority I think.

CHAIR: Agency, yes. (inaudible) send out signals is it?

MR WYATT: And there's stuff about certain sums of money running that by them. And there's also I think, any work that will continue on past 30th of June, of June next year needs to get their sign off. So, if we were to institute a plan change that we didn't think we'd be capable of being finished by then we'd need to get their sign off and see if would be - whether they'd want to take that forward.

But as I understand it, I guess our District Plan work will pretty cease we're not - we had started looking at our plan to see what we would do as part of the second generation review. That's obviously stopped and as I understand it each areas District Plan will continue after the amalgamation date until such a time as a new region wide district plan is formed.

CHAIR: Has the authority or agency suggested there'll be one plan approach in the sense of doing your water and land all within the one document or?

MR WYATT: I don't know.

CHAIR: You don't know. Just as - there is the other possibility and that is, that Local Government New Zealand raised it today. Is that, if we recommend a National Policy Statement that we recommend that or we direct the

specific revisions are included in the document without going through the Schedule 1 process? And there is a priority to do that it seems. Would that be a way around dealing with the Super City issue? Because if the Super City not only got to bring all the plans together then if you start changing it with a schedule 1 processes it's going, it's going to be interesting to see the logistics of that.

MR WYATT: I was thinking perhaps more along the lines of that date maybe set at a time when the notified region wide plan change is introduced. So, there'd be no need to change the seven plans but when National Policy Statement effect of those changes wouldn't come into play until so the region wide plan was notified.

CHAIR: I see and then you deal with it under schedule 1 the same way as the other (inaudible). And what's what Mr Chapman was talking about. Yes, all right. Well the other matter is the issue of your current plan, city plan and the review you've got going at the moment. Is there any impediment as far as activities status is concerned or performance standards of say putting solar on a commercial building?

MR WYATT: Not that I can see other than hide issues and I think assuming that it's on the roof. That sort of structure is not generally that visible.

CHAIR: So, there's no amenity - are there any amenity controls within its appropriately zoned area for - when it comes to glare or?

MR WYATT: Not aware of anything to do with glare but in general amenity controls, certainly in business areas, are a lot more reduced than in residential areas. So I mean, in a utilities plan change for example, that's where we encourage them to go.

CHAIR: Yes.

MR WYATT: If we could get things like solar panels in there that'd be great.

CHAIR: So, it may not be so much of a question of enabling but a question of not disabling. Make sure we don't disable those sorts of an issue in a district or city area where you're dealing with built environment really rather than the natural resource. Would you just check your plan and the question is, this is the question we've got for you and that is, if this NPS came in what sort of policy would assist you in expediting a move to solar within your area? As far as the policy framework is concerned. You may say there's nothing required but we need to know.

[2.40 pm]

MR WYATT: Sure.

CHAIR: And I take it the coastal boundaries are all covered by the Hauraki Gulf Act.

MR WYATT: The Hauraki Marine Park (inaudible)?

CHAIR: Yes. You're completely within that new district?

MR WYATT: Yes that's right.

CHAIR: The other thing is the RGAAA work what's happening to that with the Super City?

MR WYATT: I'm not involved in it to be honest. But I mean, I think it's continuing my colleague may have his strategy. He may have more of an idea. But I could -

CHAIR: Could you check that from your council perspective as well? 'cos we should make sure that everything's lined up. Did you make a submission on the Coastal Policy Statement?

MR WYATT: Well -

CHAIR: 'cos you've already got your own national policy as well.

MR WYATT: North Shore, yeah. I'm not sure actually I can -

CHAIR: Again, check and let Ms Beruldsen know.

MR WYATT: Sure.

CHAIR: Any other questions?

DR CHAPMAN: I just didn't quite get the answer to your - to Royden's question which is, what sort of policy would expedite a move towards solar in your district?

MR WYATT: I think I'll go back and chat to a couple of people. But from off the cuff I'd say, I'm not sure there would be anything because (inaudible) nature of the structures particularly in business areas there wouldn't that much of a problem having them there. It's more of a problem on the practical side (inaudible) rather than the District Plan (inaudible) is holding them back. But I could talk to some people.

DR CHAPMAN: Could be cost more than anything else.

CHAIR: The thing that I'm interested in is whether the land use controls which somebody could rely onto prevent solar going in or oppose it.

MR WYATT: Sure.

CHAIR: There may not be. And again, there's no reason in your plan while the benefits of that couldn't be highlighted particularly if there's an NPS that directs this.

MR WYATT: I agree.

CHAIR: Thank you very much, we appreciate that and thank you for your submission as well.

MR WYATT: Thanks very much.

CHAIR: You have some -

MR BALDERSTON: I have a PowerPoint's.

CHAIR: PowerPoint.

MR BALDERSTON: To talk to you. Basically with the PowerPoint I just wanted to go through what we've talked about in our submission. And some background to the reasons why we put in the submission that we did. We've been intended to do a plan change to enable small scale renewables for some time, at least a couple of years. We're a member of FBI which is the International Communities for Climate Change ally.

DR CHAPMAN: International Climate (inaudible) Local Environmental Initiative.

MR BALDERSTON: That's the one. And as part of our -

DR CHAPMAN: (inaudible).

CHAIR: Just pause there.

MR BALDERSTON: Sorry.

CHAIR: I've just taken that down.

DR CHAPMAN: International Council for Local Environmental Initiatives.

CHAIR: And what is the status of that organisation?

MR BALDERSTON: It's an international organisation and it provides essentially practical guidance to local authorities in the main. But any community

grouping can join and they provide information in relation to reducing greenhouse gases and becoming more sustainable.

CHAIR: And has that organisation carried out a review internationally of what approaches have been taken with the local authority level?

MR BALDERSTON: I couldn't say for sure. I haven't been directly involved with membership and what's required of us. I know that as part of that we did need to do some accounting in relation to the council's corporate emissions. And there was also, being a local authority, they also did some work with us in relation to reducing the communities greenhouse gas emissions in relation to activities that we had control over. But I think it's a well recognised international organisation.

Anyway the point of that statement was that as part of the climate change action plan that we were required to develop as members it was identified that we should undertake a plan change to enable small scale renewables as much as we could. That has been on hold it got to the spoken stage. It was on hold for the NPS that were coming out that we were aware of. Which is this one and the electricity transmission one. And the regional council was also - had indicated that they were going to review chapter 5 of the regional policy statement which is in relation to energy.

So, at this stage we haven't proceeded with that. But that's the background to this submission. But I also made submissions to the National Policy Statement on renewable energy as well.

So basically just wanted to highlight the key points of our submission. Basically, support the uptake, or the intention I guess, as we see it of the National Policy Statement. But just have some concerns really that as it is proposed it's not going to do as much as it could. And any criticism that

we have is meant to be constructive. We certainly don't have all the answers, I know you've asked some fairly detailed questions of some of the other submitters.

But I think we have some or some suggestions in a way that you might want to approach some of the issues. And essentially we submit that it could be better and stealing this from the transcript which have been very useful as well, is that the NPS must add value to the decision making process and policy development process. And at the moment I guess, in theme of some of the submissions that I've heard today is that it doesn't really do that. It just adds another layer of policy fluff I guess, on the top.

We've also touched in our submission a number of other matters that fall outside the scope of the NPS and my understanding is that you can report back to the Minister on anything depending on the narrowness of the scope. But you can consider any related matters in your deliberations even if that scope isn't limited.

So, the context for our submission is essentially that Auckland and Waitakere City in particular is a net importer of energy. Very, very near to 100 percent of our energy comes from outside of the Auckland region. So we're a net energy importer so we rely on some other districts to facilitate the generation of electricity. That means we're also an exporter of those environmental impacts. So, from Waitakere's perspective in any case we're quite keen to minimize those negative externalities I guess.

We support the 90 percent renewable target. I think it's a (inaudible) aim. Whether we'll get there or not is another matter. But to put a line in the sand I think gives all something to work towards. So, we support that. It's a good fit with the (inaudible) City these are just highlighting some of the issues.

We've got isolated communities on our West Coast, there's good wind and wave resources, that's the top left one. More I guess, reticulated energy generation would require an upgrade of our transmission infrastructure which has a significant impact on urban amenity.

We've got massive urban growth and, that bottom left picture, I can't see a single solar hot water panel on there. It's not necessarily a picture from Waitakere City but it might be. And we've got huge employment growth aspirations as well which also require demand. So, essentially -

CHAIR: Can I just interrupt you for a moment.

MR BALDERSTON: Yes, please.

CHAIR: To clarify something before you go on. You've got your own legislation haven't you for your Waitakere, your ranges?

MR BALDERSTON: Yes, certainly.

CHAIR: And does that include wind farms?

MR BALDERSTON: I'll get to that shortly.

CHAIR: I'm sorry, carry on.

MR BALDERSTON: Thank you. I guess, one of the points with the bottom left picture there is that the Auckland Region generally and, I think you'll recall, Waitakere specifically is expecting huge population growth. I just did a quick calculation before I came in and if we, in Waitakere City, between a 150,000 and 250,000 new residents by 2050, if those residents

go into an average three persons per household that's another 90-odd-thousand households.

And if we can get our solar hot water heating to reduce electricity demand by just 25 percent it's a massive, massive saving in reticulated energy demands. So, I guess the point of that statement is, is that we're focused on the small scale because we don't really have the big scale resources in Waitakere to generate from. So, just highlighting that the small scale is important to enable as much as possible.

[2.50 pm]

We've got marine industry synergies I guess not so many people are buying super yachts at the moment. But there's opportunities there for those same skills to be applied to turbine manufacture, for example. We're walking the talk. We've got a - that's the small micro wind turbine on the roof of the council building. It didn't need consent. There's no height limits in Waitakere's commercial zones.

We're also promoting solar hot water heating uptake. We have an eco-design adviser and we subsidises building consent installation costs up to \$1,400 per installation. Obviously, people might do that as part of a construction of a house we're not going to pay for the building consent for the whole house. So, it's up to \$1,400 there. I couldn't get exact statistics but it's between 10 and 20 per annum at this stage.

DR CHAPMAN: Sorry, can you please elaborate on what that \$1,400 covers?

MR BALDERSTON: It's a subsidy put against the cost of the building consent. So, there's a minimum charge for any building consent. It might be a minor plumbing and drainage one for example. If someone was just going

to put a solar hot water heating system on the roof, for example, that might cover the costs of that consent. If it's part of the construction of a new house, obviously, they get a \$1,400 discount on the building consent costs per house.

CHAIR: What are the building consents costs for a new house on average?

MR BALDERSTON: I couldn't say for sure, those statistics are available and I could provide them to you.

CHAIR: Perhaps you could I just wondered. That's a significant discount.

MR BALDERSTON: Yeah. I think from memory, and I'm just guessing, it's about \$5,000 give or take.

MRS BAUMANN: Is the \$1,400 supposed to sort of equate off the solar?

MR BALDERSTON: Yes. It's a figure that we've got available and that's how it's been split up. I mean, if more people took it up the discount might have to go down. So just again, Waitakere seems to (inaudible) we believe it should be more specific and directive while also providing flexibility and that's a bit of a vexed issue I guess.

And it should really, and this is the key issue for us, is it should assist us to balance or weigh the acknowledged positive impacts of renewable energy with the dis-benefits that they generate. And particularly in matters where those national benefits but up against areas that have national significance. Nobody is saying that renewable energy doesn't have benefits but it does have effects and I think that needs to be recognised in there as well. It was also a key issue noted in the Section 32 analysis that didn't seem to be followed through into the NPS itself.

So, the reason that why we need clear, specific guidance I guess, to clarify that we have approached the submission from (inaudible) a few of the policy plan (inaudible) I guess or a decision maker if there was a generating thing there. And how does it assist me making decisions or writing policy? And I guess, that context has changed a little bit in light of the Super City proposal. I don't know if it will be me writing policy but someone like me is going to have to do that and answer these questions for themselves, timing's I guess 82 across the country.

The Section 32 report suggested that the NPS needed to be interpreted in case law. To me that doesn't sound very efficient or effective especially if your first cab off the rank and you're the one that happens to have to go to the Environment Court. I suggest that it should be written clear and concisely so that that's not required or only in cases of extreme issues.

So, this was just a quote from the technical advisory group to the Minister of the Environment in relation to the Streamlining and Simplifying Amendment Bill. Basically around streamlining and simplifying to make sure that the instruments that come down from the national level are clear in intent and purpose. So, minimising costs on those that you actually have to implement them.

I'll just skip through this one. Basically the point here is just that renewable energy while you've encompassed it in the same definition each resource, each location is very different. So one of the things that we needed to think about for Waitakere City is the location of those resources in relation to large scale energy generation there's a potential there for the West Coast as a significant wave resource. At the moment fairly unproven - tidal. Second best harbour entrance flows after the Kiapara Harbour which has had a 200 megawatt proposal put in there

which colleagues from Northland mentioned earlier. There's also potential for slightly smaller scale tidal in some of our tidal inlets. For example, a turbine under the bridge, under the causeway that joins our city to Auckland city might be interesting.

Again, West Coast are wind on a large scale. But the small scale stuff for Waitakere City is really where it's at. The large scale resources are quite disparate from where the demand is. And the urban area of the city is in the lee of the ranges. So, it doesn't have particularly good wind resource, so that the key renewable energy resource I guess, is from the sun, solar. And I note the previous speaker mentioned that potentially passive solar gain and direct heating of hot water might be excluded from the definition. It's something that we didn't pick up in our submission but I think that's very important.

So, just getting to the point around how would we balance it. If the resources are on the West Coast which is to the left of the city there and that's just a map of our city, and I've put some maps which show some of those Section 6 matters. If we were to have large scale renewable generation in Waitakere City the question would be, sure there's benefits but what about the dis-benefits here? You're butting up against outstanding natural character of the coastline, outstanding natural features in landscapes, significant indigenous vegetation of (inaudible) habitat. All those matters, at the moment, all the NPS says is that it should go ahead.

I think there's significant opportunity there to highlight certain situations where either, probably not inappropriate but where, I guess, the enabling provisions should not apply. Or it should not enable the location of renewable generations so specifically. I certainly think that there is scope for some I guess, wind turbines in the West Coast there particularly for some of our isolated communities.

In relation to Section 62, I understand that's being reviewed. That's the obligation to continue supply until 2013. I'm not sure where that review's going. I had a look at the MED website this morning and there's nothing, it hasn't been updated since 2007. So, at the moment I guess it's still in there.

MRS BAUMANN: I think they made their decision. That obligation will remain.

MR BALDERSTON: Nevertheless, those communities might want to make a statement, I guess, as much as anything about supplying themselves. And while I don't suggest that there should be a blanket prohibition in the ranges area it's certainly a place where these things need to be considered very carefully.

If the NPS doesn't have a counterbalance within itself to the enabling provisions then it's arguable that any plan change that is made that has restrictions on it does not give effect to the NPS. That's arguable. I guess the point that I'm making is, that really we shouldn't be arguing about it.

DR CHAPMAN: (inaudible) outstanding natural features.

MR BALDERSTON: Beg your pardon. Yes, the left hand side one is a key, environmental features and it has outstanding and significant fauna or habitat. The purple area is an outstanding natural landscape that's the West Coast coastal natural landscape. The green is the ranges, outstanding natural landscape and there's a little bit of yellow around the South Coast that's the Manukau Harbour one. So, there's three I guess, overlapping, interlinked outstanding natural landscapes.

And you can also see some fingers of bright green heading into the city there. Those are the significant or visually significant ridgelines which are also protected in our plan. Which you might think also have most significant wind resources. It's not strictly the case they're actually on the West Coast that is on the lee of the ranges. So the wind resource there is less but probably better than the urban area which is right to the east. The one on the one on the very left is just a climate change impact map, exaggerated but just to highlight the topography of the city I guess.

[3.00 pm]

Other related issues, I believe that the NPS is only part of the solution and I - what we're looking for I guess is some commentary from the Board back to the Minister around complimentary actions including issues around Building Act for example, acceptable solutions, around perhaps the weight of solar hot water systems on the roof for example, improved insulation and double glazing which has come through, which is good. Other issues, even around procurement practice, I understand that the GOFT3 programme has been disbanded, unfunded. Not a good look. And feed-in tariffs have been described as one of the best mechanisms for enabling uptake and there is some references in the original submission to where I drew that opinion from.

Just getting to the NPS itself, I guess, I don't really want to say too much about that. As I say, we agree with the target, but I guess how does it assist with balancing - or creating a nationally consistent approach to balancing competing values? And that text is taken from the Section 32 report. Essentially the key reason why it was seen that an NPS was necessary.

Again, I'd just like to highlight that I think this one needs to be balanced, perhaps with an effects based one or something highlighting that while there are benefits, there are effects and in what situations might it be appropriate that the benefits do not outweigh those effects, especially in matters of national importance?

The Ranges Act is one such area that we'd like to see included, it defines the Waitakei Ranges heritage area and requires active protection and enhancement of the heritage features of the area. That's things from faunal habitat right up to distinctive communities and it elevates those heritage features to Section 6 matters through provisions in the Act itself. I have got a copy that I can leave with Ms Beruldsen if you'd like.

And I guess most concerning for us, is that there is a couple of provisions in the Ranges Act itself that requires particular regard to be had to a National Policy Statement, so the potential there probably slightly more imagined than real, but if there is no effects based policy in the National Policy Statement there is, I think the potential for perverse impacts, there is enhanced in that you are essentially indicating that the Ranges area is more appropriate for renewable energy generation than other areas that might have the same resources. Probably something that just needs clarification.

Policy 2. When I first read it I thought, hey that's pretty great, that makes sense. And it's pretty much what people do as well, but I guess the Section 32 report took a slightly different view in that it was intended to tip the balance and again, highlighted for us anyway the reason to have a balancing policy there. To highlight, despite these benefits, there are impacts, particularly on areas such as the ranges at the Hauraki Gulf Marine Park and other areas.

This one, again, I feel that the reversibility aspect is perhaps a little bit overstated and perhaps that aspect could be added to your list in Policy 1, rather than being a stand alone policy. The questions that sprung to mind is well what effects are reversible? It only applies to certain types of renewable electricity generation and only certain aspects of their operation and of course the word 'relative' in there, relative to what? Are we going to have to come up with the perfect scheme and compare everything to that?

The other question was I guess the so what question. So what if they're reversible? In the meantime there are still adverse effects and Section 3, I guess covers that as well. So I guess the point that we would like to see is perhaps that acknowledge benefit. Some aspects are reversible. Could be put on your list of benefits perhaps in Policy 2.

And this is just an example of - not of a renewable energy generation, but a dam none-the-less. A Works acquired dam built in the 19 - pre 1900s, Waitakere Water Supply dam, the first one in the ranges. It's out of the picture. It's out this way probably, about three photos across, so this is looking down one of the arms and it's - the dam's further out this way and it takes some other dog leg up there, but this is the Te Henga wetland, it's the best part I could find that showed a view of it. This is the largest remaining wetland in the Auckland region. It's only 145 hectares so it's not that big in the scheme of things, but for the Auckland region it is incredibly significant. Prior to the construction of the dam, the Waitakere River was navigable with three master sailing ships up to just down stream of this point. So the construction of the dam, it's created a regionally significant ecology over the last 100 years. Removing the dam might just have some benefits, but it might take 100 years to turn it back, so is it really reversible even if we wanted to do that? And what are the effects in the meantime I guess as well. So just highlighting that reversibility issue is

not applicable in all circumstances. And that may be the case with hydro electric dams that don't remove a lot of the flow out of the river either.

So again, similar questions around Policy 4. I think this one is something that - and I should highlight too that currently out plan is silent on renewable energy. It does allow for meteorological devices that are defined, but I've only been able to find one reference to that actual definition and it's quite limited in relation to certain designated sites.

The questions that I had. How big is research scale? And I'll just flick to the next slide. These are some examples that I've just managed to get off the internet, in my search. That's a CG Marine (ph) generator. That's the only one in the world, so I guess that's research scale.

CHAIR: Where is that?

MR BALDERSTON: I think it's in the Hudson River. I can - should probably have referenced my sources a little better but I'm just trying to make a point I guess, rather than a detailed submission. The one on the bottom there is Prince Edward Island in Canada and they have a wind test site where I guess they have designated an area where you can chuck out whatever you like to see how it goes. My impression from reading the NPS was that this stuff on the bottom left hand corner is actually what they were talking about. But given that there's no definitions, it's arguable that the CGEN thing up there, which is a significant structure and in any location is also enabled.

The second point is given that this is a rapidly advancing area, how cutting edge do things have to be to be emerging technologies and methods? I respect that we're not going to be able to identify everything and that we

should be flexible enough to accommodate those future changes in technology and human endeavour, but when you're writing rules it's very hard to do that.

And again, Policy 5, again support it. This is something that we wanted to do anyway and I don't want to belabour the point around 4 megawatt limit, but is it really community scale? I've again, just done a quick internet search. That's a Nacelle from a - one of the three megawatt class Vestas turbines in the Netherlands I think. It's off the Vestas website so it's a promo picture. But you can see the scale of it there. One of those is permitted on a 150 metre tall, potentially, or a thousand of those smaller Swift turbines, or what's disabled is that 46 megawatt geothermal generator and that picture's from Africa interestingly, which is 10 times what's permitted. So highlighting again, that each resource is different. The technology required to generate from that a 4 megawatt limit. I couldn't find anything in the Section 32 report as to why that figure was come up with, but the point I guess is that the power output has no relationship to the effects other than in the scale of the particular device that you'd need. And is 4 megawatts really small scale?

[3.10 pm]

I also note that there was some suggestion in the Section 32 report that that might go up to 10 megawatts. Again, quite comfortable with it being 4, quite comfortable with it being 10, but I think at a community level there's probably going to be some opposition to that, if people actually that up. There's also potential there for some perverse affects I guess, staging of large scale developments that have put up a couple, couple more, couple more, each time the permitted base line's being used and potential there for that to be used in a way that I guess it was never intended, but there's no actual words around it to make that open I guess.

So again, support the NPS but feel that its value as a planning tool is particularly limited and that there are some improvements that could be made and particularly encourage you to make commentary to the Minister on matters that are outside the scope of the NPS that might improve the uptake of renewable energy generation and particularly reduction in demand upon the reticulated energy system. So happy to take any questions thanks.

MR GARDINER: I'm interested in that Waitakere is in the field (inaudible a hundred percent -

MR BALDERSTON: (inaudible) to it, yes.

MR GARDINER: About that?

MR BALDERSTON: Yes, yep.

MR GARDINER: Therefore it would seem to me that - what's the incentive for you to do anything?

MR BALDERSTON: Security of supply I guess. There is a thermal station at Otahuhu. It's quite big.

MR GARDINER: What's the capacity there?

MR BALDERSTON: I can't recall off the top of my head. It is a big one. A and B.

MR GARDINER: I think my question goes to the heart of the next issue, which is NPS 4 and the new technologies and it seems to me from what we're

hearing is the demand - if the demand continues on its current pace, then the layman would suggest that it's going to outstrip the supply and therefore if large cities like yours are not taking the measures within a national framework it would be difficult to see how we can meet that demand, other than the big generators making more, but it's really - every little bit counts and -

MR BALDERSTON: That's right and that's why I focused on the complimentary matters. Insulation, reducing the need to heat your house using electricity, which most people do. Things like having solar hot water systems on the top of your house. Reducing your power bill by at least 25 percent. If every new house did that, it would be a major difference in the demand.

MR GARDINER: Would it be a major uptake in the Governance, or is it just rolling out the \$1,800 for sticking batts in your roof and stuff like that?

MR BALDERSTON: Yes, that's something that we had also just been discussing in our LTCCP consultation at the moment. We have a very similar programme. 20,000 pre 1977 houses. Pre 1977 because there was no insulation standards required at all and that was fully funded related to income, so low income, poorly insulated houses.

MR GARDINER: But isn't that a challenge. I mean Waitakere has got --

MR BALDERSTON: It is a challenge. Yeah.

MR GARDINER: -- a significant combination of presumably Māori and Pacific Islanders?

MR BALDERSTON: Yes.

MR GARDINER: And therefore, I think it's laudable to have that kind of thrust of the seating efficiencies rather than building capacity, make economies within inside the current city. How successful would you be in reaching those people given they haven't got any money and they're not the kind of people who are going to be proactive necessarily to come out and seek these kinds of initiatives that you are offering?

MR BALDERSTON: I guess the - Waitakere's always taken I guess a for well beings approach if we can reach out to that community and highlight to them the benefits to them, particularly if we make it as easy as possible to access those subsidies or assistance, there's multiple benefits to those communities and other communities as well and to the community as a whole, reduced demand on the health system for example.

MR GARDINER: Okay.

DR CHAPMAN: I wonder if I could just follow that one up. There was a question of what is desirable as a policy package and then there's the question of what fits within a national policy statement and if it does fit within an NPS, where does it fit? So I just wonder if you think that the mention of (inaudible) measures is something for the preamble or the objective or where and why?

MR BALDERSTON: I don't think it's appropriate to be in the National Policy Statement itself, I think it's something that you might want to mention as some of your other recommendations that these are things we've heard from the people that have come to talk to us. We also think it's a good idea.

DR CHAPMAN: What about the preamble? Do you think there's any case for putting it in the preamble or some reference -

MR BALDERSTON: Yeah I think so, yes. It's only part of the solution and I think it probably does need to be recognised in the NPS itself that it is only part of the whole package of things that need to happen. In conjunction with a whole lot of other things.

DR CHAPMAN: You'd also like us to underline these factors in reporting back to the Government, to the Minister in fact --

MR BALDERSTON: Yes.

DR CHAPMAN: -- we report back to him with recommendations.

MR BALDERSTON: Yes.

DR CHAPMAN: Looking through your small scale renewable energy resources list, have you done any quantification of that? Obviously the large scale ones are particularly difficult and speculative to quantify, but I was just wondering about the small scale ones, solar, perhaps small scale wind and local geothermal I guess, heat pumps and so on.

MR BALDERSTON: Yeah.

DR CHAPMAN: Have you done any quantification of those and the potential of those?

MR BALDERSTON: The only work that we had done, that is Waitakere specific is the SKM report and there is also an unpublished Masters Thesis from 2007 which focused on Waitakere specifically, how much weight you want to put on that information is up to you, but I can provide you with that thesis. I guess the value of that thesis was that it highlighted - he basically

summarised everything that was out there as far as he was able to go, obviously within the parameters of a thesis, so it was a - essentially we used that as something to focus our thinking. If we were to proceed further down the path of developing a plan change we would get something slightly more defensible I guess. I don't want to belittle his work because it's very good, but because it's a thesis it doesn't really stand up, in case there was somebody that wanted to argue against what we were proposing for.

DR CHAPMAN: I just wonder if you could outline your reservations about (inaudible) your reservations about what the NPS can offer over and above those, if you could go through for me -

[3.20 pm]

MR BALDERSTON: Yeah, I guess the objective as it's written at the moment, it's all about the supply of electricity. There's nothing in there about the end use efficiency of that. It's all about people continuing to buy electricity off the big retailers. I read Meridian's submissions to say essentially that there's no way that small scale stuff could do anything, you need to keep people buying electricity off us, which is of course what they are going to say. But I think if we're going to be truly sustainable then that's only part of the package. People can, and they should be enabled to do as much for themselves as they can. I guess the other part of it, it states the obvious, it doesn't say anything that we don't already know. I don't want to belittle it too much, because we support it, but I don't think that it - it sets a higher target, something to aim for, which is very good, but is it going to assist us to get there other than setting what some people have described as an unrealistic target?

DR CHAPMAN: Quite a few people have submitted it to us that just making it explicit as an NPS has value in itself.

MR BALDERSTON: Yeah I don't disagree with that.

DR CHAPMAN: Underlying that, if you like, would you agree with that?

MR BALDERSTON: I would agree with that, yes. But I guess the point in the submission was how does making that statement help the key issue is that when there is an application for renewable energy generation it comes up against a whole lot of other matters. Which one comes first?

DR CHAPMAN: Well, do you have any particular views on how you could do that?

MR BALDERSTON: No I don't and I don't envy you in your task in coming up with that either.

DR CHAPMAN: Well, our job is to listen to you. Would you distinguish 6, 7 and 8 in any other way than just the usual way, the Courts or - yeah, the case laws enables 6, 7 and 8 to be distinguished?

MR BALDERSTON: Well I think the matters in Section 7 are probably slightly lower than the matters in Section 6, but other than I wouldn't like to put an opinion out there in relation to that. Each would be assessed on its merits. I guess the key point of doing the NPS was to give some guidance to people who were in my position of having to either write policy or make recommendations to decision makers in reports or even those decision makers themselves, around when it is appropriate to override those matters and when it isn't.

DR CHAPMAN: I was interested in your suggestion in relation to Policy 3 that that (inaudible). It's an interesting suggestion. What exactly would you move, or perhaps I should say how would you move it, how would you incorporate it into Policy 2, the constraints policy?

MR BALDERSTON: I guess I would just add it as a 5 towards the end. The text itself is already written, I guess.

DR CHAPMAN: Okay, so you'd carry over the same sort of wording?

MR BALDERSTON: Same sort of wording, yes. I guess - Policy 2 being around practical constraints, that might not be the right policy having a re-read of it. Sorry, I should have said Policy 1, as that outlines the benefits there, or perhaps an amalgam of both.

But having it in its own policy I think overstates those benefits.

DR CHAPMAN: Okay and you've already suggested that the word 'relative' might not be helpful.

MR BALDERSTON: No.

DR CHAPMAN: Good thank you. That's helpful. Just in relation to the 4 and the 10 megawatts, I wonder if some formulation might be considered relating to 10 megawatts provided it has no adverse environmental affects that are more than minor. Would something like that begin to capture what you're concerned about which seems to me to be around environmental affects?

MR BALDERSTON: Well I guess that kind of approach is kind of avoiding the issue really. I mean it wouldn't get consent if it had more than minor

effects. Yeah, I guess, my key concern was that the limit itself while it might be an administratively efficient way of measuring whether something is enabled or not, there's actually no relationship really particularly between generation types, between power output and affects was my key point. And I was thinking about it earlier and perhaps there's you might want to think about different - if you want to keep output limit, whether there is potential to I guess have a better look at the affects of each generation type and have some different parameters around that, whether that's size or scale or percentage of river flow that's affected or whatever.

DR CHAPMAN: You appreciate the aim of Policy 5 don't you?

MR BALDERSTON: Oh yes. I wouldn't want to see it be deleted or the intent of it be deleted, but yeah I can foresee difficulty while mine's 4.5 so why are you notifying it if I did it - if I just wound it back a little bit it would be permitted or whatever. Especially because there was no, that I could find anyway, reason why 4 megawatts was chosen as a number over any other.

DR CHAPMAN: Yeah we've heard evidence that 10 megawatts makes sense in terms of the electricity market rules, that above 10 megawatt capacity be fitted into the wholesale market, below 10, so recognising the higher cost, consenting costs per megawatt and so on, of smaller scale, there's a case for some exemption or lightening the load at low scale and it's a question of how one does that, but recognising adverse environmental affects.

MR BALDERSTON: Yeah. In my submission we found some examples that related to solar particularly from the US and they had limits of 10 kilowatts and 100 kilowatts respectively, which are quite significantly less. Obviously if we've got a very high target for renewables maybe it's appropriate to make it bigger and if the Government decides that the

effects of those things are what the community has to bear to reach their target then that's fine too, but my concern, I guess, is more around the arbitrariness of it as a measure rather than the measure itself.

DR CHAPMAN: But at the minimum you would look to differentiate across the different sorts of technologies?

MR BALDERSTON: Well I think so I mean each of them has different levels of efficiency and effect, yeah, I mean the geothermal thing you could put a 4 megawatt in a back garden shed and no one would know. But a 4 megawatt wind insulation your neighbours sure would know.

DR CHAPMAN: Thank you.

CHAIR: Do you have an affordable housing policy in your -

MR BALDERSTON: No we don't. We submitted and were involved heavily in the development of that Bill but leaving it up to local authorities is not the help we were looking for.

CHAIR: Right. Now the Waitakere Ranges Heritage Area Act, in your slides you refer to the enhancement of the heritage features, the protection of the heritage features, does that deal with landscape?

MR BALDERSTON: Yes it does. I have a copy of the Act here.

CHAIR: And the specific definition of Heritage features -

[3.30 pm]

MR BALDERSTON: Yes they are. So it's at Section 7. Titled, "National Significance and Heritage Features of the Heritage Area." "The heritage area is of national significance and the heritage features described in Subsection 2 individually or collectively contribute to its significance. The heritage areas of the - the heritage features of the heritage area are as terrestrial and aquatic ecosystems of prominent indigenous character that includes large continuous areas of primary and regenerating low land and coastal forests, wetland and dune systems with intact ecological sequences, they have intrinsic value, they provide a diversity of habitats for indigenous flora and fauna," and so on, over the next two pages.

CHAIR: I see. That's not just a - they haven't picked up the definition of historic heritage in that.

MR BALDERSTON: That is included. And there is some confusion in the community I guess around it being referred to as historic, especially when the mechanism of enhancing them is future focused.

CHAIR: Well thank you very much. And also can you thank your Chairman of your Planning and Regulatory Committee. Express our thanks to him.

MR BALDERSTON: Thank you.

CHAIR: We are very grateful for the amount of work you have put into this.

MRS BAUMANN: Yes, it's well done.

CHAIR: And your submissions are particularly helpful in the sense of the local authority having a very progressive approach to dealing with sustainability.

MR BALDERSTON: Thank you very much.

To be read in conjunction with
the tabled evidence/statement

DR CHAPMAN: Thank you.

ADJOURNED [3.32 pm]

RESUMED [3.45 pm]

CHAIR: Welcome Dr Palmer and thank you very much for attending. We realise that we asked if you would be good enough to come along. We realise that and also appreciate that you have a very busy schedule. We're very much in your hands as to how you wish to present your material. We have read your paper and your covering submissions, so perhaps if we could leave it to you and then pick up on the matters that are of interest to us.

DR PALMER: Yes, thank you very much. Well, I will mention the paper very briefly. There's not much in it to mention and I'll just also address the supplementary sheet that's been handed out which is headed the title of the proposed National Policy Statement and just begins with a principled approach. I thought I had about quarter of an hour to speak so I tailored my input accordingly. But now that there's more time I'll take it more slowly. This is really going back to basics and I apologise for just reminding you all about the basics because I know you've heard them so many times before and you don't need to be reminded, but there is I think a rationale about this.

So, obviously the proposed National Policy Statement needs to be put in a context and of course the context is the purpose of the RMA and you will all know very well the key sections in Part 2, Sections 5 through to Section 8. So that's the first foundation stone.

The next part is the structure to deliver the purpose of Section 5 and the ancillary purposes of Section 6 through to 8. The Act, again, is really in three parts which support the purpose - there is the national input provision and at that level there is the possibility of the National Policy Statements, the National Environmental Standards, New Zealand Coastal

Policy Statement and one or two other things like the other regulations that might be brought in.

So the national import was always envisaged under the 1991 Act as being important. There is then the regional input and of course the influence of the national input into the regional input has been strengthened under the amendments 2003 and 2005, so it is necessary for the region to implement those National Policy Statements and of course that will also have a percolating effect down from the regions, the territorial district level.

[3.50 pm]

There is also the question separately of the opportunity or reason for producing National Policy Statements and that's described in Section 45 and I don't really need to go through that. It's pretty obvious I think that this particular policy statement would fit within a few of those provisions set out in Section 45 and so from the point of view of jurisdiction, you might say Government jurisdiction, Ministerial jurisdiction, if you instigate the policy statement, I don't think there's any question of invalidity which can be raised. So all I'm sort of - it passes by that but it's worth of course reminding one's self as to the reason for this particular National Policy Statement covering this particular area, as against a multitude of policy statements on everything that might conceivably come within the regional or district plan parameter. So I don't think there's any issue here about the validity of this subject matter in the round. It might have some relevance when it comes to peripheral things that submitters would like to bring in. If they wanted you to introduce some price control regimes then of course the gyros could arise and an example of that is on the proposed New Zealand Coastal Policy Statement where that did include several directives as to charging and I was involved in the submissions on that and my view was that those directives in fact were ultra vires. They could

not be done under that type of National Policy Statement. Especially where there were specific provisions in the Act itself which took care of those types of matters such as charging, so there needs to be a recognition of what is a policy on the one hand and what is perhaps some sort of regulatory device on the other. And once more, I think with the scope of this policy statement as it's been proposed, there's no real problem there, other than one thing I do mention in my submission about jurisdiction, that the encouragement to take the steps under policies 4 and 5 for Local Authorities to take these particular steps, does need to be considered in relation to the actual functions of regional and territorial authorities, I don't think the policy statement can enlarge on the functions one way or the other, so it wouldn't be appropriate for a regional plan to perhaps zone specifically, although again for say wind farms or hydro generation sites, although of course the District Council might accept that or might dispute it, I don't know, but I think one needs to be careful when setting requirements as policy 4 and 5 do, by a certain date local authorities have to do something, that they also take into account their appropriate statutory functions under the Act itself. So that's just the point that I have made already in Submission 5 in Paragraphs 3 and 4 - at least at Paragraph 3.

Now, just returning to my additional addendum today, there is a question of the need or justification for top level input and direction and of course this comes out of Section 32 and again, I don't need to inform you about that. There has been a Section 32 report done here. But there is the question of necessity or need for this directive or this policy statement. In support of it, and my submission originally wasn't supportive of this particular statement, the subject of it, I put forward to you a view expressed by Janet McLean in this article of hers back in 1992 and you've got a copy of that article in front of you. This was a very early article, the RMA had just been passed. And Professor McLean who is now a

Professor of Law at the University of Dundee, or Aberdeen, it's one or the other, she takes a very critical view of the gap being left at the national input level following enactment of the Statute. I assume that the Chairperson may be familiar with this article, but I thought it would be good reading if you and the others are not familiar with the article, because it is one of the basic articles that is put forward in teaching this subject. It is putting forward an early criticism of the Act which for a number of years proved to be correct and in fact it - this lack of direction that from a national level proved to be correct, very much up until about 1994 when the first - sorry, 2004 when the first National Environmental Standards appeared and of course the first National Policy Statement last year.

So there are two pages that I want to draw attention to. Her context for this critique is very much in the area of emission standards, air pollution, so it is not directly on point with this Inquiry but it raises the general principal of the matter of is there a need for some Government direction and should the power be used? And the answer is very clearly yes. So just the two passages that I've extracted I think have some application to what your Inquiry is required to consider and address and the page 549, one I have referred to there, Mehan (ph) Section 5 offers too many choices without further guidance. If it tells us little about sustainability it tells us less about management. The section implicitly requires that we develop ways to assess risk and adverse affects. What does the remainder of the Act say about standards and goals and environmental management. I think there should be a question mark there.

And then further on after considering the problem with the lack of direction and standards of air pollution and the uncertainty facing the regional councils then she does make the point, page 555, "The Act would be greatly enhanced by the addition of measurable goals or standards." So

to the extent this National Policy Statement will provide a goal, or a standard, certainly a goal, then I think you have the support of this article by Professor McLean.

And of course just a general observation about National Policy Statements is the fact that the one mandatory one, the New Zealand Coastal Policy Statement has certainly received significant attention certainly more perhaps with the revised statement last year and maybe the earlier one, but I think it seemed to be a very important adjunct to Part 2 of the RMA. And then I think again, you can take support from that as supporting your function here. So, overall I don't think that there needs to be any question of any negative report about this. I think it does need to be embellished or completed, implemented.

Another reason of course for implementing it and this is Paragraph 2, is in the context of electricity generation. And I imagine you've had the sections repeated a hundred or a thousand times during your hearings and you don't need to be reminded of them. But once more, just looking at the principle of these provisions why is Section 7 there and how broad should its scope be? It does now specifically refer to the benefits to be derived from, I'm sorry about the misspelling there, from the use and development of renewable energy.

And that, just as it stands, is very precise and concise but it obviously could help if there was some elaboration of that provision. And presumably that's what the Minister had in mind in putting forward this National Policy Statement for consideration. It is rather bare as it stands. It doesn't really give much direction other than that statement.

[4.00 pm]

So, once more I think it is - that not only do you have Section 45 to rely on but you certainly have the specific scope of that section as well. Which doesn't limit, I think, the empowerment under Section 45, but it certainly gives a baseline if one wants to use that term in this context.

And of course those other provisions in Section 7, the (b), the (b)(a) and the (i), in particular I think give you might say the affirmation of the jurisdiction to look into some of these related areas. I suppose you could find other ones too. There are certainly other provisions that have some relevance. So, again I sort of show my endorsement and (inaudible) for this particular statement.

In the next matter I suppose and it goes to the question, well is the statement necessary? Have the cases sort of already bypassed the need for this statement? This is where one can look at the cases and reflect on whether they add things that are not in the statement or should be in the statement. And the cases again, you'll know from your own experience of the input begin I think with the Genesis Power case being the first reported one, not the first one on a wind farm, of course not relating to hydro dams. I suppose one could go back to the hydro dam cases and I suppose the Clutha Hydam is perhaps a good example of perhaps a decision which said the hydram should not be built. And of course it was built by statutory override.

So, I guess the energy sector has done quite well over the last 40 or 50 years without the need for this policy statement. But again, I think this is an opportunity to perhaps provide some balance and just weight as to much - how important is this objective?

So the other cases which of course have occurred recently, haven't yet had decisions made in them and I have in mind the Project Hayes case, I

think do have some relevance to the content of this policy statement. And I've just listed the two there that come to mind in relation to Māori cultural issues. The outstanding landscape protection case is the one in which the wind farm proposal was not approved and it was going to effect the appearance of the ridgeline, the waka shaped ridgeline. And that was seen to be more important than the production of renewable energy.

And of course that case was followed by a call in of a similar application in the same area. And the Unison Networks decision of the late Judge Bollard, the most recent one, comes to really a very similar decision, that the Māori dimension was important in the refusal, declining the approval of that wind farm.

And those cases do raise, in my mind, the question whether the Policy Statement should be more carefully crafted on questions of matters like, the Section 6 issue. In particular, the Māori cultural view of the sites for renewable energy generation. In the proposed statement, the preamble does refer generally to - this is in the sort of third paragraph in the preamble. It says, "In some instances the benefits of renewable energy generation can compete with matters of national importance as set out in Section 6 of the Act and with matters which decision makers are required to have particular regard in Section 7 of the Act." And I think that's a good introduction.

There is a question I think as to whether those matters might be strengthened in the content. For example, Policy 2 looks at the practical - well, the matters of avoiding remedying and mitigating adverse effects. And that seems to be premised on the basis that an approval is going to be given and these are the only things that perhaps one needs to worry about.

So, Policy 2 does sort of presuppose or presume a consent and then these are the matters that one needs to tidy up with conditions. And I just raise the question of balance. If you are going to have something like that in the policy statement should you also then perhaps say a bit more about significant matters that might be relevant? Because in the cases so far I do think the matter of Māori concerns is one which has been to the forefront. Not exclusively, but I suppose that amenity impact are the two issues that are likely to be most significant. So, I just raise the question and I know you've had lots of submissions on the wording and perhaps content.

There's also the matter which did catch my eye before I came down and that was the question of the objective, 'hear the wisdom,' or you might say possible foolishness of stating an objective that 90 percent of New Zealand's electricity will be generated. I think to state it in that sort of mandatory manner can be a problem for governments that might - Ministries that might find that in fact that objective is not going to be obtained.

In the paper that I wrote in (inaudible) 7 and I refer to it in my original submission and in other work I've done, I've looked at some of the comparative statistics with generation of renewable energy in other countries, in Germany and other parts of Europe. And I do wonder whether in fact 90 percent is rather optimistic and things don't happen all that quickly in New Zealand either. If the progression of that 90 percent is going to be carried out by private enterprise then it's really questionable. I acknowledge that the majority of power companies in New Zealand are owned by the government so, it's open to the government to push these matters. But the governments don't seem to be actively telling the power companies what to do. I would have thought it would have been more

prudent to put in a range of desirable levels of renewable energy, rather than something as precise as 90 percent.

I'm very conscious of the commitment under the Kyoto Convention that New Zealand is not really going to meet, there's just no chance of meeting it. And that of course is embarrassing for successive governments. This is something that it doesn't have to impose upon itself. Kyoto perhaps is different, we didn't have much option, but this is something that I think should perhaps be lightened up or toned down or generalised. And then of course governments have a bit more freedom to implement their policies.

And it does also seem to be to be contrary with respect to the change by the new government to allow or lift the restraint on gas-fired power stations, as I understand they have done. So, I expect this recommendation of 90 percent might be something that they wouldn't necessarily wish to endorse themselves.

[4.10 pm]

So that I think really completes the additional matters that I wished to address specifically.

Perhaps just the last one, it is the question of identifying sites and that's referred to in my original submission. And I refer to an approach taken in Wales in the United Kingdom where sites I think it was seven areas were identified as possible sites for wind farms that could be (inaudible) occur in New Zealand under the obligations Policy 4. Again, I think that's quite a good approach but I'm hesitant to say you should put a dateline on it, 13th of March, 2012. I mean, at the moment the market really manages this, I think, quite effectively without councils having to carry out this task on their

behalf and not be paid for it. I imagine most ratepayers in New Zealand wouldn't thank anyone for councils having to employ expensive consultants to undertake the implementation of Policy 4.

It reminds one of Section 32 when that first came in, the initial reaction of most local authorities was one of great concern about the costs of carrying out these investigations as to the need to do something or not do something. And the question, well did that mean that the Southland District Council had to look at the need to regulate activities in the Fjord areas where there was no real development occurring anyway? And why carry out this burden of investigation if it's a remote possibility that anything's going to happen. And I think the investigation, if one was to look at every river in New Zealand and the local authority was required to do this and carry out the survey and also of course look at every hilltop in New Zealand and there are thousands of them in the King Country. I know the local authority there, I'm just trying to think of the name of it, is almost bankrupt and they have hardly any money to do anything, let alone carry out this sort of survey. I wonder whether this is really necessary because I do think the big players, the energy companies will very happily themselves do this. But there may be some areas I think where moving towards you might say, the prohibited activities status, the local authority could be encouraged to say, well on this iconic landscape in the Bannockburn (ph) area there'll be no wind farms constructed. That clears it immediately, so you don't have the Project Hayes dilemma arising and the costs then on the locals to try to defend them - their landscapes against these very well funded energy companies.

So, I would have thought some encouragement in outstanding natural landscape areas but that's as far as it need go. I don't see any rationale for having to do this everywhere else, it seems to me a wholly unnecessary cost and one in which I would have thought would have

failed the Section 32 analysis. And of course, this statement itself has its own Section 30 analysis. I'm not quite sure how far it follows through in the policies. Right, really that's it, I think just about all I need to say.

CHAIR: Thank you very much.

MR CHAPMAN: Thanks very much. Just perhaps starting with that last one 'cos that is a very - it's one that's been taxing us. Could even identifying prohibited areas or areas with prohibited area status or something like that, non-complying status, could that in itself though accelerate some sort of difficult process for councils whereby it brought forward a series of debates, if you like, around even setting aside those areas. I mean, perhaps the community clambering for a rather extensive area set aside and others, energy companies, saying no, no we shouldn't set aside that, give us discretion, new technologies may come along which make even wind farms less objectionable in those areas. So, could that have its own difficulties?

DR PALMER: Yes it could. I'm just trying to recall. The Coromandel watchdog case about the attempt to prohibit mining in the Coromandel I think is a quite a good analogy. Which can have its own problems of cost and you might say avoiding extremes. My own personal view is that prohibited activities should be rarely used and only for things like flood situations. I wouldn't necessarily encourage them to be used in this context.

But I would perhaps encourage some sort of strong policy statement that in areas of outstanding natural landscape the local authority is not likely to favour say, wind farms. Something like that. So, perhaps it's still possible for the companies to apply but at least they know they're up against a view. So that would avoid the inevitable arguments as to where you draw lines if you are going to try to bring in some sort of prohibited activity

zoning. So, no I think one needs to approach this in a rather light-handed and sensible manner not to instigate expensive hearings as a consequence.

MR CHAPMAN: And would you include in that discriminating technology by technology. So for example, one would say in respect of wind farms understanding the current technology --

DR PALMER: Yes, yes.

MR CHAPMAN: -- these are the areas, but for geothermal these might be a different set of areas and so on.

DR PALMER: Yes and certainly with size too I think, I can see New Zealand going down the track of everyone possibly, like in some parts of Europe, having their own little wind generator on top of their house or beside their house. And I would encourage that. That would seem to me to be part of a domestic set up like a garage. Instead of having a windmill bring up the water you have a windmill generating the electricity. Yes, so I think there's great scope for moving to smaller generation options.

MR CHAPMAN: So, could one capture that by talking in terms of having regards to scale or environmental effect?

DR PALMER: Yes, well I think your Policy 5, Policy 5 does seem to be directed to that type of provision.

MR CHAPMAN: Yes it is and in fact, there's a 4 megawatt definition over the page, of the differentiation between small and community (inaudible) on the one hand and other generation on the other.

DR PALMER: Yes.

MR CHAPMAN: But it doesn't, Policy 5 doesn't contain any if you like, discrimination on the grounds of scale. So, for example, if one was wanting to discriminate between - if the council was wanting to discriminate between a half megawatt turbine of 50 metres or whatever, and a 3 megawatt turbine at a 150 metres. There could be perhaps situations in which that might make a difference. Would the words - some wording around scale facilitate that discrimination?

DR PALMER: Well, these are sort of technical areas and I think there needs to be some flexibility. It may be that one big wind generation turbine is acceptable in some localities and a group of them is not. I understand that birds have a higher survival rate if it's a bigger turbine and turning more slowly than smaller ones that are whipping round, so there are lots of, I think, related matters.

[4.20 pm]

I suppose just one other thing on that, you're thinking about visual effects. It just suddenly occurred to me, but doesn't seem to be anything in this. And I maybe wrong about this, about the visibility of the power lines, the high tension lines, the grid lines going to these various sites. I would have thought, I'm sorry I just occurred to me, that there should be something about a policy on perhaps undergrounding these were appropriate or possible just to reduce the visual impact. And I realise that's not going to work for the national grid in the North Island but it might provide greater acceptability and encouragement. 'Cos I think it is that view of the power lines that effect people.

I recall when I went to Manupouri Dam, the Manupouri Power Station those power lines from the station across the sort of, where you drive in and then over the mountains. I thought they were an appalling blight on the landscape and of course also dangerous to one or two aircraft that have crashed into those lines. And I would have thought the technology today is such that much of those lines could perhaps have been undergrounded or not necessarily placed the way they are.

So that to my mind probably has a greater effect than perhaps the one station, the hydro station or the wind farm sitting by itself, that there's also that consequence of the lines crossing hundreds of kilometres.

MR CHAPMAN: Wouldn't that be a matter though for the NPS on electricity transmission?

DR PALMER: Well, yes that might be. But that's a separate thing isn't it?

MR CHAPMAN: Yes. I don't recall what it says about visual amenity in that.

CHAIR: Effects.

MR CHAPMAN: Effects, okay.

DR PALMER: Yeah, so if it catered for under that, then okay you have your own area of coverage.

MR CHAPMAN: Just going back to the 90 percent I was interested in your comments on that. And yes, we have been thinking about this question. Just how specific the objectives should be or whether there's a case that having some sort of statement of the 90 percent objective in say the preamble where it's not quite so specific. It forms the backdrop in context

but doesn't specifically determine the nature of the decision making so much. Do you think would that have any relaxing effect do you think?

DR PALMER: Yes, it's probably a matter of expression such that, 90 percent of New Zealand's electricity will be generated. Now that could be interpreted as an example, for example, such that - and to that extent it's not perhaps a specific target. But it's one that again, I tend to feel that one should understate things rather than overstate them just as a matter of national performance.

I mean New Zealand is evaluated by many different bodies on its standards, its environmental standards and if an overseas body picks this up and says, oh well New Zealand hasn't met this, they're falling behind. That perhaps is something we might regret. So, I just feel that these things in the past have led to problems. I mean, you get these international evaluations of New Zealand's environmental performance and these benchmarks can be difficult.

I wonder again, because it has that sort of implication of a political determination and ministerial determination whether in something like a National Policy Statement that I think should really be a-political, if possible. Because otherwise it's going to be changed by the next government that comes along. That one needs to try to come out with something that is likely to be acceptable for a 10 or 20 year period. I think it has more credibility and certainty if you can arrive at something that will have that acceptability.

MR CHAPMAN: So, perhaps it's not appropriate to get into drafting here, but I wonder if the words such that it might be softened by various formulations - or a formulation such as, taking into account New Zealand's aspiration to achieve a 90 percent target or something like that.

DR PALMER: Yes, well you could I suppose just generalise it with wording, to the intent that a major percentage of New Zealand's electricity will be generated. I mean major is more than 50 percent and at the moment we're a bit below 50 percent I think. So, it's going to be above that.

MR CHAPMAN: We're just a bit above.

DR PALMER: A bit above. Well, one thinks that major or substantial part, something like that. I wouldn't put a percentage in myself at all. It's a political decision.

MR CHAPMAN: How would a substantial part tend to be interpreted?

DR PALMER: I think that would be an encouragement. I think it would be consistent with everything else here. You see, once you start to say 90 percent then consent authorities are going to get the - they're going to be worried if we don't approve this we're not going to reach our 90 percent. It puts pressure on councils preparing plans, rules. Listening to resource consents, the Environment Court puts pressure on them. They feel under an obligation, "Right this is what the government wants, we've got to try to assist the government." I mean it's a disclosed or acknowledged pressure perhaps. But I think in practice all of these things do work that way. And of course, it gives the power companies I suppose a lever, not that they need one, perhaps to ask for government to come in on their side and support their applications. I mean, it's interesting how external trade and industry have supported some of these wind farms cases and of course they were lending significant weight in the Genesis power case. So you really get big Government departments coming in lining up to achieve these Ministerial objectives and that, I think, is not necessarily fair and equitable to other people who are trying to perhaps raise contrary matters.

DR CHAPMAN: I suppose the counter point of view is that New Zealand's climate change obligations are very important to articulate.

DR PALMER: Sure.

DR CHAPMAN: And to bring to the attention of local decision makers. I guess the question for us is what's the best means of achieving that? Having regard, for example, to the fact that it's possible that the need to increase renewables may become even more evident in future.

DR PALMER: Yes, well I'm not saying that a statement like 90 percent is ultra vires, I wouldn't go that far, I think it's probably within the scope of a National Policy Statement, but I do question this in the long term as to appropriateness for this to appear in this thing. I mean, it's okay for the Ministry in its annual performance statements to say this, or the Ministry - under the New Zealand Energy Strategy to have these percentages, but that's where I think it should stay. I think they RMA shouldn't be used or misused to deliver things that are really better dealt with under other documents and under other statutes.

DR CHAPMAN: Okay. That's very helpful. Thank you.

MRS BAUMANN: Can I just take that up with Mr Palmer? There is the counter view that the only way Government can get its energy strategy, be it 90 or whatever, is via the RMA. That's the obstacle, that's the barrier, so that's why they feel in a National Policy Statement there should be some way of mentioning that's the context for this policy statement, the National Energy Strategy.

[4.30 pm]

DR PALMER: Yes, well, I think on that basis there could perhaps be in the objective part perhaps a reference to objective to assist in the implementation of the New Zealand Energy Strategy, so that gives that sort of flexibility and if the Government wants to change the Energy Strategy, they get another bright idea, some other source of power, then they can do it without you people or someone else getting to amend this thing and suddenly delete the 90 percent for something else. I just hesitate to see a specific commitment like that, where it's necessary to make that. But I certainly agree with you, if you need to flag that this is the New Zealand Energy Strategy or Energy Conservation Strategy is behind this then by all means refer to that as relevant.

MRS BAUMANN: At least then it wouldn't measure the whole thing, slightly suspect if the 90 becomes 85 in the next Energy Strategy.

DR PALMER: Yes, that's right.

MRS BAUMANN: And again, it can be softened to the extent to which it doesn't see as a target of the NSP, which you are saying some people may see the 90 as a target that the decision makers of other plans etc have to achieve and that would be totally wrong and improper.

DR PALMER: Well, certainly, again, those two cases I mentioned with the - where the Māori cultural issue resulted in the refusal, one can see pressures being put on, say, the Māori objectives, they're not to raise these things because the Government says we've got to do this and it's urgent etc. I think that sort of takes the balance out of the RMA. I think the RMA has quite a good balance at the present time and it's important that these National Policy Statements don't override or really come out

with something stronger than, you might say, Section 6, a matter of national importance.

MRS BAUMANN: You shouldn't override or in some way put into a shadow Section 6 matters.

DR PALMER: That's right. Yes.

MRS BAUMANN: Because that's the thing we're getting endless submission on, is how you give Section 7 things sufficient weight, but not overshadow Section 6 matters. That's where, really, everybody agrees that the cut overrides bits, but they want to sort of bump up 7 a little bit and how in words, or whatever, one does that and that's one of our major tasks as I see it.

DR PALMER: Yes, that's right and that's why I started in my, sort of, principled approach with this hierarchy. These things have a level of importance and purpose going down and then Part 2 is at the top and then international things, the regional, territorial.

MRS BAUMANN: It's not easy.

DR PALMER: No. Perhaps - the very last thing I forgot to mention in my Paragraph 3 was the size of the National Policy Statement virtue of brevity. I commend the size of this for brevity, I think it's wonderful to get something so concise and I expect it will, of course, be rather expanded by the time recommendations -

MRS BAUMANN: If everybody gets their way it'll be a book.

DR PALMER: But I do hope that it will retain some precision because there's no doubt precision is relatively easy to implement, so again I commend that as a virtue.

CHAIR: Do you have any more questions?

DR CHAPMAN: No, not at this stage.

CHAIR: Can I just clarify and get your view on a couple of legal matters. The first thing is we've had a lot of submissions about the assistance the hearing body requires when working out what is inappropriate in terms of Section 6 - inappropriate development in terms of Section 6 (a), 6 (b) and how you would then make those judgments, bearing in mind the matters in Section 7, as far as our electricity is concerned, which - and we understand the submission - do you see any difficulty with the National Policy Statement introducing Section 7, Paragraph (b)? (a) matters on end-use of energy and 7 (i) effects of climate change. In a policy statement it's got a specific heading, which seems to reflect Section 7 (j) matters, do you think it would be ultra vires to deal with other Section 7 matters besides Section 7 (inaudible)?

DR PALMER: Well, I tend to think the vires is under Section 45, is essentially - and of course that does talk about things relevant to achieving the purpose of the Act, the Section 5, and of course the scope of things under Section 45, Subsection 2. I would have thought it's appropriate or at least it's not inappropriate if there was mention of, well I suppose the provisions of Section 5, provisions of Section 6 or Section 7 for that matter. Once you start getting into those areas I think you do have to be rather careful, as to how you refer to them, just to retain that sort of hierarchy of importance between the 5, 6, 7 and 8. Certainly this is my view that this statement is supported by 7 (j), in particular, and to that extent I think it

would be relevant to mention, if necessary, in some of the policy provisions the other sections. But again, it depends as to how this is stated as to whether it is stated in a mandatory fashion or it is one of policy? And that's why I think one has to be careful about prescribing dates about something to be done. That's getting rather close to a rule rather than a policy, you get back to that basic decision in the Court of Appeal and the Auckland Regional Authority and the North Shore City Council as to what is a policy as against a rule.

CHAIR: The question of the dates, do you think that under Section 55, Subsection 2, if you've got that there Dr Palmer, to the - the first two, in the time specified in the National Policy Statement may give authority for that.

DR PALMER: I certainly agree that that does. It's just a demarcation between the National Policy Statement and the National Environmental Standard. I'm sure that there's a sort of grey overlap between a number of these documents and possibly the sections, but I don't think that's a bad thing. I think there needs to be a certain flexibility and practicality about the content.

CHAIR: Yes. The other matter which I'm finding of some interest from the hydro perspective, is from the Section 30, when we're dealing with the functions of regional councils. The provision that was introduced in Section 30, Subsection 1, Paragraph F(a), getting into allocation issues, and the interesting thing is when you look at the policies and the proposed state of how they would be of some assistance to you if you were dealing with those provisions.

[4.40 pm]

DR PALMER: Yes, I suppose the Paragraph Subsection 4, that's sort of restraint on the rules interfering with invested - at least existing consents. Just thinking of the Waitaki River and Denmore Station. Yes, I suppose there is a constraint there? That whatever you say on your National Policy Statement presumably couldn't override these specific provisions about the priorities remaining, you're stuck with those.

CHAIR: Finally, the prescription - the degree of prescription on the policy statement, bearing in mind the place you referred to is what is policy and what's a rule and so forth, do you believe there to be some legal difficulty if a policy went as far as saying that in the case of the small scale projects that plans should be changed to give it some sort of activity status? Like restricted discretion or something. That would - rather than not complying. I was thinking if the windmill was on the house or the solar panel.

DR PALMER: I think that would be a problem. I think you could do that or the Government or the Ministry could do that under a National Environmental Standard, just as they have with the very recent standards on cellphone tower installations, they have given committed activity to small repeater stations and the roadside cabinets. Of course in the last few months now that that's been given these things are sprouting up all over the place and the councils can't stop them. That's where I think the provisions of that part are quite specific about the standard overriding the provisions and regional industry plans. I don't think you could do that under this at all, no.

CHAIR: That's very helpful. Yes and the issue of using a megawatt rating is a criteria, if you like, a policy statement. It raises the issues mentioned by the former submitter today, the previous submitter today. And that is, you can get many many 10 megawatt facilities and effect the baseline and it could rather than having one 50 megawatt, they've probably got five lined up alongside each other with a more permissive regime.

DR PALMER: Yes that's like, the provision that used to be, well at least is in the New Zealand Coastal Policy Statement about restricted coastal activity being a reclamation above a 100 metres. And you might then just repeat your seawall every 100 metres and avoid that instead of having one that's a 120. Yes, I can understand the problem. I don't know the answer. It's too technical.

CHAIR: No, that's very helpful. The only other thing we've been grappling with is something, haven't given us an answer at the moment and that is how you line all these policy statements up under the reforms, the Act and so forth. If you're a local authority reviewing your plan and you've got a Freshwater Policy Statement that deals with structures and rivers. You've got this policy statement, then you've got the change to the Act. You've got Coastal Policy Statement. I suspect that maybe where there's some assistance needed by the courts I suppose. It's very hard, we can't anticipate what might be in the freshwater one that's following ours, the one we're doing.

DR PALMER: Yes again, I'm sorry I can't give you any assistance on that.

CHAIR: No, no.

DR CHAPMAN: Can I ask one further question. On the question of 7 (b)(a), which is round the end use - efficiency of end use. I would have thought that was inconsistent with the objective of this proposed NPS. 'Cos it is focused on the national significance of renewable electricity generation. What's your view on that? We've heard different views on that and it's not quite clear what the logic is. I mean, certainly an argument can be made that by increasing efficiency of the end use there's a reduce need to generation renewable electricity. So clearly there is a trade-off possible.

But to what extent should that trade-off, in a sense, be recognised in an NPS?

DR PALMER: It has been alluded to in the Genesis power case and district council. I've always assumed that if the site of generation is close to a significant user then that maybe a plus. And I suppose to that extent you could recognise that in passing as something that's in the Act and is seen to be another matter under Section 7. I imagine you couldn't go too far further, much further because it's a very broad statement isn't it? The end use of energy. Does it mean just on a locational basis or how many users? I mean, it's quite vague the whole thing.

DR CHAPMAN: Indeed. I mean, it has the potential to extend the ambit a long way if you - it's about thinking about solar water heating and so on. But I mean, there's one other possible approach which we've been canvassing with submitters, to recognise parts of the - provisions like that in the preamble, in the context setting for example. Or does that not make sense?

DR PALMER: No, I think it does make sense. I think that provision that's tied in with this statement to a certain extent. So, I mean certainly it's been an argument in some of the wind farms cases that these sites are approximate to the users and therefore, they should get more encouragement. And of course you might have say, major industry establishing somewhere that needs to have one of these generation sites nearby. So again, it's certainly going to be of significance there.

CHAIR: Well Mr Gardiner I think raised the point that there would be some benefit in facilitating the establishment of small units in rural areas where there is isolation. And encouraging communities to develop generation facilities (inaudible). Whether that perhaps can be brought in under the

To be read in conjunction with
the tabled evidence/statement

end use because the security of supply out in these areas might be marginal at times.

DR PALMER: Well one assumes that implicit in Policy 5 about supporting smaller community scale renewable electricity generation, this is one of the reasons there because of this efficiency matter. That it's much more efficient to have a small system nearby rather than some remote distance.

CHAIR: Yes. Well, thank you very much. We appreciate you taking the time and you've given us a lot of things.

DR PALMER: From my part I'm very pleased to have the opportunity to say something on this. I'm sure there'll be a good outcome.

CHAIR: Many thanks.

MRS BAUMANN: Thank you.

ADJOURNED [4.48 pm]