SUBMISSION ON THE DRAFT NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY

1. Introduction

Northpower Limited (Northpower) and Top Energy Limited (Top Energy) welcome the opportunity to make a submission on the proposed Draft National Policy Statement for Indigenous Biodiversity (NPSIB) and its Discussion Document.

Northpower and Top Energy support the intention of the NPSIB to provide a clearer regulatory approach to respond to the decline in indigenous biodiversity. Northpower and Top Energy also support the main objective of the NPSIB to maintain indigenous biodiversity under the RMA.

2. Background

Northpower

Northpower owns, operates and maintains both the electricity and fibre networks in Whangarei and Kaipara. The electricity network includes: 3,700 kilometres of high voltage line and cables; approx. 54,000 power poles; approx. 60,000 connected customers; and 5MW hydroelectric Wairua falls power station.

At Northpower we work together to ensure our customers’ critical electricity infrastructure is always on. Northpower is constantly looking to the future and planning now for how our network will be used, so it can cater for growing demand. This includes building in capacity for ever changing energy environments and technical innovations - like electric vehicles (further evidenced by Northpower’s vehicle to grid trial V2G [https://northpower.com/articles/2020/northpower-vehicle-to-grid-trial-wins-eeca-funding]).

Northpower’s electricity network is the power behind Northland’s rapidly growing economy - helping people to live, work and holiday in a spectacular location while remaining globally connected. Every year Northpower invests in its network. This expenditure and expansion provides another boost to our economy. Northpower recognises the critical importance of reliable electricity supply in servicing Northland’s ever growing economy and communities, and the role it has in continuing to open up new opportunities for the future.

Northpower’s Wairua Falls hydroelectric power station, was commissioned in 1916 and is one of New Zealand’s oldest hydro schemes still in operation. The station has a catchment area of 348km² and uses the head available from the Wairau Falls. Water from an intake upstream of the falls feeds into a canal which runs for down the right bank of the Wairua river to the head pond where two penstocks feed the water down to the powerhouse. The station has a total capacity of 5MW, enough to power 675 houses.

Northpower Fibre, a joint venture with the Crown, delivers world class ultra-fast broadband connectivity to customers in Whangarei and 12 other towns across the Kaipara and Whangarei districts. It’s investment in fibre has removed many of the traditional barriers to collaborating and communicating globally while living outside of the main cities.
Northpower is continually shaping its networks to provide safe, reliable electricity and communications infrastructure both now and for future generations.

Top Energy Limited is the electricity distribution and generation company based in Kerikeri. Top Energy owns and manages the electricity lines network in the far north of New Zealand’s North Island, including the main centres of Kaitaia, Kerikeri and Kaikohe. The service area covers 6,822km² and serves 32,000 customers. Top Energy has invested in geothermal generation and currently operates a 25MW generation plant at Ngawha with a further 32MW in construction for commissioning in October 2020, bringing total generation to 57MW. Top Energy is owned by the Top Energy Consumer Trust on behalf of electricity consumers in the region.
Together, Northpower and Top Energy are responsible for electricity distribution north of Auckland and Northland, providing line services from Topuni (north of Wellsford) to Cape Reinga.
3. Electricity Distribution Networks

The ongoing operation and development of network utility infrastructure is essential if New Zealand is to meet its cultural, social, environmental and economic objectives.

Electricity distribution networks (lines businesses) take electricity from the national grid operated by Transpower and distribute electricity to residential and commercial customers. Therefore, electricity distribution assets need to be located wherever a customer chooses to locate. This means that network utility providers are often not able to be selective as to where infrastructure is required as every customer needs to be connected. It is therefore critical that any planning provisions appropriately recognise the importance of electricity distribution networks and the need for both new infrastructure to be enabled, and for existing infrastructure to be maintained and upgraded.

Accordingly, sometimes such infrastructure will be located in or traverse through areas of indigenous biodiversity. Northpower and Top Energy operate linear and other networks throughout North Auckland and Northland, undertake routine maintenance to ensure there is ongoing security of supply, upgrade components of the networks to ensure that there is sufficient capacity to meet existing and planned growth, and construct and install new components and connections to existing networks to enable utility servicing in newly developed areas. Northpower and Top Energy therefore need the ability to install new assets and maintain and upgrade existing assets in such areas of indigenous biodiversity.
Such infrastructure will locate on or traverse through all types of land tenure comprising private land (including land that is plantation forest or pastoral); public land; and Maori land. All such land tenure will be subject to areas of indigenous biodiversity. Lines companies need the ability to access all land tenure types to install new assets, and to maintain and upgrade existing assets and at times these assets will be located in areas of indigenous biodiversity. While lines that traverse through private property require easements, if the lines were existing prior to 1 January 1993 the assets will be subject to existing works provisions of the Electricity Act 1992 providing the assets statutory property rights but will not be a registered interest on a property title.

Electricity distribution networks are impacted by reactive events caused by third party interference, equipment faults and weather related events. As the infrastructure is essential to those communities and companies it serves, Northpower and Top Energy need the ability to reactively maintain their networks even where such networks traverse through or will be located in areas of indigenous biodiversity. To maintain electricity distribution networks, adequate access is required to cross land to access its assets. These access tracks need to be regularly maintained including the removal of vegetation.

Electricity distribution networks are lifeline networks subject to the Civil Defence Emergency Management Act 2002. The duties of lifeline utilities are defined in s60 of this Act. In short, a lifeline utility is legally required to function “to the fullest possible extent” (even at a diminished level) during and after an emergency. It is therefore essential that Northpower and Top Energy can reactively maintain their networks, and have adequate access to do so across all land tenures.

Lines companies also have obligations in relation to tree trimming of trees in close proximity to power lines pursuant to the Electricity (Hazards from Trees) Regulations 2003 (Tree Regulations). The Tree Regulations prescribe the minimum safe distances for trees growing near network power lines. Where assets will be located in areas of indigenous biodiversity, the Tree Regulations will still apply.

As electricity distribution assets are everywhere that a customer chooses to locate, lines companies more so than most other entities will be greatly affected by restrictions imposed by the NPSIB. It therefore is imperative that consideration is given to lines businesses so that costs to comply with the NPSIB are reduced as much as possible, or consideration is given to exempt distribution line activities from the requirements of the NPSIB.

4. Submission on NPSIB

Northpower and Top Energy consider that distribution line networks should be regarded as Nationally Significant Infrastructure (even though they are local area-based) as they are the reason for which the national grid operated by Transpower exists. For the Far North (i.e. the Top Energy network) in particular, the Top Energy distribution network also includes the high voltage network (i.e. 110KV) as the national grid operated by Transpower ends further south. Lines companies are an integral part of the delivery of electricity to consumers and that the national grid wouldn’t be significant if electricity can not be delivered to users. Not recognising that electricity distribution networks are Nationally Significant Infrastructure in terms of the NPSIB effectively means that Northland and the Far North would be treated differently from the rest of New Zealand in terms maintaining an essential supply network.

The NPSIB responds to the decline in indigenous biodiversity in New Zealand. Northpower and Top Energy support the intention of the NPSIB in proposing to maintain indigenous biodiversity under the RMA, including no reductions in the following:
• The size of populations of indigenous species;
• Indigenous species occupancy across their natural range;
• The function of ecosystems and habitats;
• The full range and extent of ecosystems and habitats;
• Connectivity between, and buffering around, ecosystems; and
• The resilience and adaptability of ecosystems.

While the Conservation Act 1987, National Parks Act 1980 and Reserves Act 1977 already have some biodiversity provisions for public conservation areas, public conservation areas do not cover a full range of ecosystems. Public conservation areas include a higher proportion of alpine ecosystems and montane indigenous forest than ecosystems such as lowland forest, coastal forest or wetlands. Northpower and Top Energy support the protection of a full range of ecosystems.

The proposed NPSIB is intended to give national consistency to council’s interpretations and application of the RMA. This will result in more consistency in council’s monitoring and management approaches, and result in better outcomes for indigenous biodiversity. Northpower and Top Energy support providing national consistency to Council’s interpretations and applications of the RMA, rather than relying on current approaches that vary in style from being stated in plans or being imposed through resource consent conditions.

However, Northpower and Top Energy are concerned with the potential impact particularly to industry and landowners which are likely to increase costs of doing business and add further restrictions in areas subject to indigenous biodiversity. As both companies are owned by trusts, any increase in cost is passed on to consumers.

Northpower and Top Energy support infrastructure providers being included as part of a group to be consulted when territorial council’s map Significant Natural Areas (SNA). Northpower and Top Energy would also like to be considered for or invited to participate on particular biodiversity projects.

5. Discussion Document - Submission

Northpower and Top Energy have made submissions on some of the questions set out in the NPSIB Discussion Document.

Overview of the proposed NPSIB

Q1. Do you agree a National Policy Statement for Indigenous Biodiversity (NPSIB) is needed to strengthen requirements for protecting our native plants, animals and ecosystems under the Resource Management Act 1991 (RMA)? Yes/no? Why/why not?

Yes. Northpower and Top Energy support providing national consistency to Council’s interpretations and applications of the RMA, rather than relying on current ad hoc methods of dealing with declining biodiversity that vary in style from being stated in plans or due to being imposed through resource consent conditions.

Q3. Do you agree with the objectives of the proposed NPSIB? Yes/no? Why/why not? (see part 2.1 of the proposed NPSIB).

Northpower and Top Energy support the objectives of the NPSIB to maintain indigenous biodiversity under the RMA. However, the intent of the NPSIB should be included as one of the objectives in part 2.1 ensuring that significant biodiversity values are maintained, while allowing for existing uses
of land and certain activities. This could be achieved by adding a further objective to read as follows:

**Objective X:** “To ensure significant biodiversity values are maintained, while allowing for existing uses of land and certain new activities.”

**Section A: Recognising te ao Maori and the principles of the Treaty of Waitangi**

No submissions.

**Section B: Identifying important biodiversity and taonga**

**Q10.** Territorial authorities will need to identify, map and schedule Significant Natural Areas (SNAs) in partnership with tangata whenua, landowners and communities. What logistical issues do you see with mapping SNAs, and what has been limiting this mapping happening?

There should be both a non-statutory and statutory phase of mapping SNAs so that all parties with an interest in the land have an opportunity to be involved in an initial informal process and the formal RMA process.

Where existing electricity assets are located within an area to be considered as an SNA, the lines company should be involved early in the non-statutory phase of consultation. From a lines company perspective, having an existing overhead line within an SNA would be inconsistent with the values of a SNA as it is already a compromised ecosystem and will remain compromised as vegetation needs to remain away from the lines. The lines company will regularly be required to undertake tree trimming pursuant to the Tree Regulations and remove any underlying vegetation growing under the lines for safety reasons. It would also need to have adequate and maintained vehicular access to access its assets for maintenance, upgrading or reactive works purposes.

It should also be noted that electricity distribution assets may be located on private land subject to existing works provisions pursuant to the Electricity Act 1992. In such cases, there would not be an existing easement registered on the applicable property title. Northpower and Top Energy would welcome to be contacted and to be involved in the consultation process if an asset is located within an area with potential to be mapped as a SNA.

For these reasons, it would be Northpower and Top Energy’s preference to have any SNA mapped excluding existing overhead lines or underground cables, or to have distribution lines exempt from the NPSIS as has been provided for Transpower as Nationally Significant Infrastructure. To do otherwise, puts the lines company’s to unreasonable cost and raises public safety risk due to maintenance and reactive maintenance not being able to be undertaken as quickly as necessary due to onerous resource consenting requirements.

**Q11.** Of the following three options, who do you think should be responsible for identifying, mapping and scheduling of SNAs? Why?

- a. Territorial authorities
- b. Regional councils
- c. A collaborative exercise between territorial authorities and regional councils.

Territorial authorities as they are responsible for land use.

**Q12.** Do you consider the ecological significance criteria in Appendix 1 of the proposed NPSIB appropriate for identifying SNAs? Yes/no? Why/why not?
An expert ecologist should review the proposed SNAs prior to the statutory phases of mapping each SNA to ensure there is merit in imposing further restrictions on land use.

Q13 Do you agree with the principles and approaches territorial authorities must consider when mapping SNAs? (see Part 3.8(2)) of the proposed NPSIB) Yes/no? Why/why not?

See Q12 above.

Q14 The NPSIB proposes SNAs are scheduled in a district plan. Which of the following council plans should include SNA schedules? Why?

a. Regional policy statement
b. Regional plan
c. District plan
d. A combination

The district plan should include SNA schedules as the territorial authority is responsible for land use. See Q11 above.

Q15 We have proposed a timeframe of five years for the identification and mapping of SNAs and six years for scheduling SNAs in a district plan. Is this reasonable? Yes/no? What do you think is reasonable timeframe and why?

The process of identification and mapping of SNAs will be resource intensive and time consuming. Cost efficiencies are needed for parties such as lines companies where infrastructure is located all over a district / region and may have assets subject to numerous SNAs. Involvement in the non-statutory and statutory processes shouldn’t be onerous.

Section C: Managing adverse effects on biodiversity

C1 - Managing adverse effects on biodiversity within Significant Natural Areas

Q19 Do you think the proposed NPSIB provides the appropriate level of protection of SNAs? Yes/no? Why/why not? (see part 3.9 of the proposed NPSIB)

For lines companies where new assets may be required to be located within a SNA to connect a customer, “avoiding” adverse effects is too high a threshold to meet (part 3.9(1)). Therefore, consideration should be given to including a further exemption into subclause (4) allowing such new infrastructure (electricity distribution networks) where there is a functional and operational need to be located within an SNA and no other practical alternative location.

Q20 Do you agree with the use of the effects management hierarchy as proposed to address adverse effects on indigenous biodiversity instead of outcomes-based approach recommended by the Biodiversity Collaborative Group? Yes/no? Why/why not?

As a potential high user of needing to locate new equipment within a SNA, where new lines may need to be located within SNAs, as discussed in Q19 above, an exemption is required.

However, we typically favour an outcome based approach where the options for avoidance, remediation, compensation or offsetting can be considered collectively (rather than sequentially), with the best option for the project, location and circumstances selected. Often it will be a mix of the options available, rather than picking one approach. We also promote compensation options rather than offsetting, simply because the biodiversity “accounting” DoC requires to satisfy an offset requirement is usually so extensive as to render any offset proposal impracticable (especially for
smaller scale projects). Pooling the compensation obligation and supporting SNA improvement projects led by qualified organisations would secure better outcomes than piecemeal remediation.

**C2 – Providing for specific new activities within SNAs**

**Q22** Do you agree with the distinction between high and medium-value SNAs as the way to ensure SNAs are protected while providing for new activities? Yes/no/unclear? Please explain. If no, do you have an alternative suggestion?

Northpower and Top Energy are concerned with the drafting of the NPSIB as it relates to classified high-value SNAs as it is unclear what the obligations are. Nowhere in the draft NPSIB does it provide rules for high-value SNAs, and therefore it is presumed that the high-value SNAs are subject to the general rules applicable to SNAs but not rules applicable to medium-value SNAs (please see the interplay of rules in sections 3.8 and 3.9).

Regardless of how SNAs are classified, if a new electricity line needs to be installed within a high-value SNA any adverse effects to the SNA need to be avoided, which is an extremely high threshold. Where there is no practical alternative location, new assets will need to be located within high-value SNAs and as the NPSIB is currently drafted this cannot occur. Please refer to Q19 above.

**Q23** Do you agree with the new activities the proposed NPSIB provides for and the parameters within which they are provided for? (see part 3.9(2)-(4) of the proposed NPSIB). Yes/no? Why/why not?

An exemption is required for where new lines may need to be located within high-value SNAs, as discussed in Q19 above. If there is no where for a new line to go within a high-value SNA, a customer will not be able to get power.

**Q24** Do you agree with the proposed definition for nationally significant infrastructure? Yes/no? Why/why not?

“Nationally Significant Infrastructure” definition doesn’t include electricity distribution networks. It is essential that electricity distribution networks also have the ability to install new assets when required if there is no practical alternative option available.

Electricity distribution networks, together with other distribution networks (such as water and waste water), represent the capillaries which sustain the existing residential and business communities, and which are essential for continued growth and intensification. These distribution networks are not merely significant infrastructure, for each and every customer (business and residential) that they serve, they are essential infrastructure. There is no point in protecting the national grid assets, if the electricity distribution network cannot then connect its customers.

**C3 – Managing significant biodiversity in plantation forests**

**Q25** Do you agree with the proposed approach to managing significant indigenous biodiversity within plantation forests, including that the specific management responses are dealt with in the NESPF? (see part 3.10 of the proposed NPSIB) Yes/no? Why/why not?

Electricity distribution network assets may be located within plantation forest indigenous biodiversity areas. As discussed above, maintenance activities may result in trees and vegetation being removed from underneath distribution lines and from access tracks.

**C4 – Providing for existing activities, including pastoral farming**
Q26  Do you agree with managing existing activities and land uses, including pastoral farming, proposed in part 3.12 of the proposed NPSIB? Yes/no? Why/why not?

Existing electricity distribution network assets may be located within areas of pastoral farming, and new electricity distribution assets may be required to be installed within areas of pastoral farming. Existing and new access tracks are also needed to ensure the assets can be maintained and upgraded as necessary. The obligation to retain evidence of the scale of previous vegetation clearance to justify future vegetation clearance is not practicably workable for a lines company.

C5 – Managing adverse effects on biodiversity outside SNAs

Q27  Does the proposed NPSIB provide the appropriate level of protection for indigenous biodiversity outside SNAs with enough flexibility to allow other community outcomes to be met? Yes/no? Why/why not?

The process outlined for protection of indigenous biodiversity outside SNAs creates further uncertainty. Any area not already mapped an SNA, needs to go through appropriate non-statutory and statutory processes to be included as an SNA in a district plan. To impose restrictions otherwise, introduces uncertainty, increases costs and would be seen to be arbitrary to RMA process.

Q28  Do you think it is appropriate to consider both biodiversity offsets and biodiversity compensation (instead of considering them sequentially) for managing adverse effects on indigenous biodiversity outside of SNAs? Yes/no? Why/why not?

As per Q27. All new areas of indigenous biodiversity need to go through an appropriate RMA process to be deemed an SNA.

We also promote compensation options rather than offsetting, simply because the biodiversity “accounting” DoC requires to satisfy an offset requirement is usually so extensive as to render any offset proposal impracticable (especially for smaller scale projects).

C9  Managing effects on geothermal ecosystems

Q32  What is your preferred option for managing geothermal ecosystems? Please explain.

a. Option 1  
b. Option 2  
c. Option 3  
d. Or your alternative option – please explain.

Top Energy, through its wholly owned subsidiary Ngāwhā Generation Limited, operates the Ngāwhā geothermal power stations located on and using the Ngāwhā Geothermal System, the largest geothermal system in New Zealand outside the Taupo Volcanic Zone. The present installed renewable generation capacity at Ngāwhā is approximately 25 MW (at the power stations known as OEC1, OEC2 and OEC3). Ngāwhā Generation Limited is currently constructing a new power station, to be known as OEC4, that will more than double the present installed generation capacity and holds consent to construct a further power station (OEC5) in the future. Development using the Ngāwhā Geothermal System has progressed by way of an adaptive management approach, initially by installing small scale generation systems and increasing capacity once it has been demonstrated that the system can sustain additional generation, with future development planned using a similar approach. Protecting the values of the existing geothermal feature at Ngāwhā Springs has been central to all stages of development of the resource.
Development of geothermal resources for renewable electricity generation purposes also involves construction of pipelines to carry heat energy to the power station and to discharge used geothermal fluid. These pipelines require specific engineering to ensure that heat losses are minimised and that flow in the pipeline is not compromised. In other words, such pipelines cannot be “put anywhere”, they must follow specific pathways and contours to enable the network to operate effectively. The comments relating to electricity lines in this submission apply equally to the pipelines forming an integral and essential part of geothermal development.

As is noted in the NPSIB discussion documents:

a) By definition, geothermal ecosystems would be identified as significant and a “High” rating, largely because of their uniqueness and rarity (they only exist in geothermal areas and are specific to each area); and

b) Policies requiring avoidance of adverse effects on such systems and adopting a precautionary approach to development would largely preclude any further geothermal development for renewable electricity generation.

The effect of development on geothermal ecosystems is likely to be uncertain until such time as development is tested, which means that adaptive management is typically required for geothermal development.

Top Energy therefore opposes any policy framework that requires adverse effects on geothermal ecosystems to be avoided, or for a precautionary approach to be adopted where the effects on indigenous biodiversity are uncertain, unknown or little understood. Such policies are likely to preclude the development of the Ngāwhā geothermal resources for renewable electricity generation, which is a matter of national significance as identified in the National Policy Statement for Renewable Electricity Generation 2011.

Top Energy does not consider that there is a need for national policy with respect to managing geothermal ecosystems as these ecosystems are specific to the geothermal system that they exist in and the factors affecting them are specific to that system and the development proposed. Top Energy therefore supports the exclusion of geothermal ecosystems from the NPSIB as it considers that these are appropriately managed through site specific, geothermal ecosystem specific and development specific measures relevant to the resource consents being sought. The resource consents for the Ngāwhā Generation Limited project include extensive protection measures for the Ngāwhā Springs and for working with iwi with respect to implementing the consents, including, for example, the appointment of a Kaitiaki Advisor for the project and implementation of a Cultural Monitoring Plan.

Similarly, Top Energy opposes any national policy framework that treats geothermal resource development in the Taupo Volcanic Zone differently from development in other geothermal resources, including Ngāwhā. As noted above, the existing and potential development in the Ngāwhā Geothermal System is as significant as any development system in the Taupo Volcanic Zone, if not more significant given the Far North location of the Ngāwhā Geothermal System.

Should it be decided that geothermal ecosystems should be included under the NPSIB provisions, then Top Energy considers that:

i. The policy framework for development of geothermal systems must provide for the full range of mitigation, remediation, compensation or offsetting (or an appropriate mix of all) options to be available for consideration for any particular geothermal development; and
ii. The Ngāwhā Geothermal System must be regarded as a system for geothermal development consistent with other geothermal systems in the Taupo Volcanic Zone where geothermal development has occurred; and

iii. The existing features in the Ngāwhā Geothermal System identified as Outstanding Natural Features under the Proposed Northland Regional Plan are identified as the significant geothermal ecosystems at Ngāwhā in terms of both Regional and District planning requirements; and

iv. Given the work already undertaken by Northland Regional Council to identify significant features at Ngāwhā, the NPSIB does not require further unnecessary assessment of geothermal resources by the regional and territorial authorities in Northland.

Q33 We consider geothermal ecosystems to include geothermally influenced habitat, thermo-tolerant fauna (including microorganisms) and associated indigenous biodiversity. Do you agree? Yes/no? Why/why not?

Please see Q32 above.

C10 – Biodiversity offsetting and biodiversity compensation

No submissions.

Section D – Restoration and enhancement of biodiversity

Northpower and Top Energy support general protection, restoration and enhancement of New Zealand’s indigenous biodiversity. However they are concerned that if councils are to set targets to increase vegetative cover (assuming this would be achieved through increased planting of indigenous flora), then over time the challenges and obligations on infrastructure providers will also grow if networks are located in such areas.

Section E – Monitoring and Implementation

E2 – Assessing environmental effects on indigenous biodiversity

Q48 Do you agree with the proposed additional information requirements within Assessments of Environmental Effects (AEEs) for activities that impact indigenous biodiversity? (see part 3.19 of the proposed NPSIB). Yes/no? Why/why not?

Any assessment of environment effects on indigenous biodiversity will increase costs especially due to electricity distribution assets being located all over the districts connecting customers where they choose to be located.

Section F – Statutory Frameworks

No submissions.

6. Conclusion

For the numerous reasons set out above, it would be Northpower and Top Energy’s preference to:

• have any SNA mapped excluding existing overhead lines or underground cables; and
• to have distribution lines exempt from the NPSIB as has been provided for Transpower as Nationally Significant Infrastructure. Electricity distribution lines could be exempt themselves or electricity distribution lines could be added to the definition of “Nationally Significant Infrastructure”.

To do otherwise, puts the lines company’s to unreasonable cost and raises public safety risk due to maintenance and reactive maintenance not being able to be undertaken as quickly as necessary due to onerous resource consenting requirements. It would also mean that some customers could not be connected to power.

Northpower and Top Energy would like to meet with the Ministry for the Environment to discuss its submission, its experiences working within the current planning system, and the draft NPSIB.

Northpower and Top Energy support infrastructure providers being included as part of a group to be consulted when territorial council’s map SNAs. Northpower and Top Energy would also like to be considered for or invited to participate on particular biodiversity projects.

7. Contact Details:

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