10 October 2019

Ministry for the Environment
PO Box 10362
WELLINGTON 6143

By email: nps-udconsultation@mfe.govt.nz

Dear Sir/Madam,

Proposed National Policy Statement on Urban Development

Please find attached WEL Networks’ submission on the Proposed National Policy Statement on Urban Development.

Please contact me should you have any questions relating to this submission.

Yours sincerely,

[Redacted]

COMMERCIAL LEGAL COUNSEL

E-mail: [Redacted]
INTRODUCTION

WEL Networks Limited ("WEL") is an electricity distributor operating under the Electricity Act 1992, who owns, operates and develops electricity distribution infrastructure in the Waikato region to provide line function services to approximately 91,000 installation connection points. This includes the distribution of electricity to residences and businesses within Hamilton City and the Waikato and Waipa Districts.

WEL owns and manages utilities within the road reserve (both overhead and underground), owns sites which contain substations and/or switching stations and has utilities within private land authorised by easements or protected under the Electricity Act (usually overhead lines, underground cables and distribution transformers).

WEL, as a network utility operator under the Resource Management Act 1991 ("RMA"), has the responsibility of providing a secure and efficient supply of electricity to the community within WEL’s distribution network area. WEL’s network of cables and lines allows every household, business, school, medical facility and other types of consumer to have access to electricity.

Other infrastructure such as substations, switching stations, ring main units, transformers, service pillars and pillar boxes allow WEL to convert electricity from a higher voltage (taken from the national grid) to a useable voltage for consumers to access, and to provide an enhanced level of security of supply through built-in redundancy in the network. WEL is classified as a lifeline utility under the Civil Defence Emergency Management Act 2002 ("CDEMA") and is also a requiring authority under the RMA.

For all works undertaken on its network, WEL is required to comply with the Electricity Act 1992, regulations and relevant industry Codes of Practice and Guidelines. For example, observing minimum separation distances with infrastructure for other services. WEL has a Network Connection Standard which stipulates standards for design and construction to ensure that the distribution network is safe and conforms to statutory requirements.

In terms of the RMA framework, WEL’s electricity and telecommunication infrastructure supports the sustainable management and efficient use of natural and physical resources as promoted in Part 2 of the RMA. The benefits of WEL’s electricity infrastructure in achieving sustainable management are also enshrined in the RMA through sections 7(b) and 7(ba); in achieving the purpose of the RMA, particular regard is to be given to “the efficient use and development of natural and physical resources” and “the efficiency of the end use of energy”.

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A fundamental part of enabling people and communities to provide for their social, economic and cultural wellbeing under section 5 of the RMA is the provision of a secure and efficient supply of electricity.

**PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT SUBMISSION**

WEL has reviewed the Proposed NPS and provides comments under the following headings:

1. **Do you support a National Policy Statement on Urban Development that aims to deliver quality urban environments and make room for growth?**

   **WEL supports in part** the intention of the National Policy Statement on Urban Development (NPS). The NPS proposes to remove unnecessary restrictions on development to enable higher-density housing near existing services and infrastructure and well-connected houses in greenfield areas with good infrastructure connections. WEL considers development of this nature is sustainable and in line with section 5 of the RMA, to promote the sustainable management of natural and physical resources.

   However **WEL submits that Network Utilities Operators such as Electricity Distribution Providers should be included in key policies throughout the NPS.**

   The NPS discussion document identifies the importance of infrastructure throughout, however, fails to include provision for electricity. The importance of electricity is identified in the Waikato Regional Policy Statement, within the definition of Regionally Significant Infrastructure and is included under the definition of a lifeline utility in the CDEMA.

2. **Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments?**

   **WEL supports the approach of targeting the most directive policies to New Zealand’s largest and fastest growing urban environments if the policies are created to ensure a collaborative approach to all infrastructure providers, including Council services, New Zealand Transport Agency (“NZTA”) and electricity distributor providers.**

   The NPS document identifies Hamilton as one of the major urban centres and proposes directive policies to enable growth. WEL considers that greater alignment with Council and other utility providers is required to ensure that all infrastructure can be established collaboratively to enable this growth and ensure that the intention of the NPS is achieved. Working collaboratively with all infrastructural providers would be beneficial to all parties, to create an understanding of all utility requirements of the growing region.

   This is particularly important when Council wishes to establish larger sites such as pumping stations as WEL is required to supply these sites with electricity. The network in the vicinity of any proposed Council infrastructure may already be constrained and significant investment might be required to cope with the additional loadings.
As discussed above, this collaborative approach will ensure infrastructure can be installed in a timely way.

3. Do you support the proposed changes to Future Direction Strategies (FDSs) overall? If not, what would you suggest doing differently?

WEL supports in part proposed changes to Future Direction Strategies. However, to date Councils’ engagement with WEL in developing structure plans, plan changes or other development related proposals has been very limited despite WEL’s significant presence within the Waikato Region. Opportunity to provide input during structure planning to date has typically been reactive (in providing a submission) whereas WEL considers that it would be beneficial (to all parties) to create an understanding of all utility requirements of the growing region in the early stages of developing future plans.

It has been increasingly difficult for WEL to convey the importance of its infrastructure to Councils within its network area. An example of such difficulties being a district plan notified several years ago. This plan as drafted would have created huge implications for WEL in that it required comprehensive resource consenting for almost all of WEL’s day-to-day activities within road reserve where the effects of such equipment were minor. Upon attending a number of meetings with Council, it was apparent that those responsible for drafting the network utilities chapter of the district plan did not have a full appreciation of the equipment required to operate a distribution network. Due to the lack of understanding, it took a number of years to create appropriate rules to enable WEL to operate its network effectively and efficiently.

Again, WEL submits that policies be included to ensure a collaborative approach with all infrastructure providers. This approach will identify the type of infrastructure required for the development and any legal arrangements (such as easements) or Council negotiations for network utility equipment within road reserve. Early engagement will enable WEL to plan for the capacity and electricity supply required for the development, subject to appropriate commercial and legal arrangements. These arrangements will need to cover the following:

- The ongoing development of the project including line (overhead and underground) relocations and replacements;
- Upgrading and extending WEL’s electricity network to the site;
- Installation of an electrical network into the development; and
- Any easement agreements, or surrender and/or variation of any existing easements, that will be required including completion of any easement(s) for the block(s) of land over, under or through which WEL’s equipment would be installed.

The opportunity to provide input during the development of the plan changes would be beneficial to all parties and promote an understanding of all utility requirements of the growing region.
8. Do you support policies to enable intensification in the locations where benefits can be achieved?

WEL supports in part policies to enable intensification in the locations where benefits can be achieved. However, WEL submits that it has become increasingly difficult to supply electricity to intensified development areas within Hamilton. The main reason for this is that WEL requires adequate berm space on both sides of the road to ensure sufficient space is available for WEL to install its network utility equipment. Inadequate space on the berm for WEL equipment can create development delays and/or result in the developer having to negotiate with private landowners to accommodate such equipment. This results in significant frustrations and costs to the developer, and increased costs to WEL.

Further, as development is concentrated less space becomes available for network utility infrastructure underground and above ground such as transformers and pillar boxes. This is already becoming increasingly problematic in the Hamilton CBD where smaller sites accompanied with the District Plan requirements for carparking, loading and outdoor areas, means that little or no room is available for the network utility equipment required to supply electricity to service the development.

Historically, WEL has installed a majority of its equipment within road reserve as the equipment generally services multiple properties; however, Councils are increasingly becoming reluctant to provide WEL with the right to install equipment in these areas. From a network utility perspective, in order for infill development to be feasible there needs to be provisions for network utilities within road reserve, in particular, electricity infrastructure.

WEL submits that policies are developed to ensure a collaborative approach through any Future Development Strategy is undertaken with all infrastructure providers, including Council services, NZTA and electricity distributor providers, to ensure that intensification is undertaken in a timely and cost effective manner while ensuring that the amenity of any location is maintained and/or enhanced.

9. Do you support inclusion of a policy providing for plan changes for out of sequence greenfield development and/or greenfield development in locations not currently identified for development?

WEL supports in part the inclusion of a policy providing for plan changes for out of sequence greenfield development and/or greenfield development in locations not currently identified for development. However, for the same reasons included in point 8, WEL submits that policies are developed to ensure that a collaborative approach through any Future Development Strategy is undertaken with all infrastructural providers, including Council services, NZTA and electricity distributor providers, to ensure that intensification is undertaken in a timely and cost effective manner while ensuring that the amenity of any location is maintained and/or enhanced.