31 October 2019

To
Ministry for the Environment

From
Westpower Limited

By Email
consultation.freshwater@mfe.govt.nz

Dear Sir/Madam

Westpower Limited’s submission on “Action for Healthy Waterways – A Discussion Document on National Direction for Our Essential Freshwater, September 2019”

1. Westpower Limited (“Westpower”) is grateful for the opportunity to provide a submission on the Government’s Action for Healthy Waterways discussion document (“Discussion Document”), and the proposed National Policy Statement for Freshwater Management (“NPSFM”) and National Environmental Standards for Freshwater (“NESFW”) (“the freshwater reform package”).

2. Westpower is a West Coast 100% consumer owned electricity generation and distribution company that delivers benefits back to the West Coast community. Westpower focuses on renewable electricity generation (“REG”), specifically small scale run-of-river hydro schemes to increase the West Coast's electricity supply security and efficiency.

3. In terms of Westpower's electricity generation, the Amethyst hydro scheme was commissioned in 2013 and the Waitaha is a proposed hydro scheme.

West Coast’s Locally Owned Electricity Distributor

Westpower Limited

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4. The Amethyst hydro scheme has several benefits for the environment and the West Coast community:

(a) its proximity to South Westland (5 km east of Harihari adjacent to State Highway 6 near the Wanganui River bridge), and production of 50 GWh of energy per annum, improves the security and efficiency of electricity supply (reducing transportation losses) for South Westland;

(b) the environmental footprint of the scheme is minimal as there is no dam involved; and

(c) it was commissioned in June 2013 meaning that its construction was, and its ongoing maintenance and operation is, carried out in line with a modern and robust environmentally sensitive manner.

5. The proposed Waitaha hydro scheme would also benefit the West Coast community:

(a) its proximity to Hokitika and Ross (38 km and 15 km south respectively) and predicted production of 110-120 GWh per annum would provide electricity to approximately 12,000 households and make the Westpower area almost self-sufficient in local power generation in terms of peak demand;

(b) the environmental footprint of the scheme would be minimal as there is no dam involved; and

(c) if the scheme were built it would be carried out in line with a modern and robust environmentally sensitive manner.

6. Westpower has always sought to uphold the highest environmental standards, with the avoidance of adverse environmental effects being its primary objective. It approaches hydro scheme development in an environmentally sensitive manner based on a conservative approach that considers the maximum potential effects that might arise and then appropriately avoids, remedies, mitigates, offsets or compensates those effects.

7. Westpower is concerned that the strict new requirements in the proposed freshwater reforms, in particular the proposals which require absolute avoidance of effects, will make it very challenging, if not impossible, to consent and re-consent new and existing hydro REG, compromising the development, operation, maintenance and upgrading of hydro REG.

8. With respect to Westpower's electricity distribution, Westpower owns, operates and maintains 2,194 circuit km of lines and cables on the West Coast. Appendix 1 provides a map showing the location of Westpower's existing distribution lines within the West Coast.

9. Given the topography of the West Coast (mountains to the east and the sea to the west with a large number of rivers and streams running from the mountains to the sea), the available route options for electricity distribution lines and cables is severely constrained. While a significant existing distribution network is already in place, to provide for the operation, maintenance and upgrade of this network, it may be necessary to locate distribution poles and lines within rivers and streams and/or in areas of indigenous vegetation, including wetlands. Any new lines and cables that may be required to meet demand may also need to be located in these areas.
10. While Westpower is committed to reducing any potential adverse environmental effects of its electricity distribution activities as far as practicable, Westpower acknowledges that in some instances the effects of such activities cannot be avoided and there may be residual effects. However, local electricity distribution is essential to enable people and communities to provide for their health and well-being. There is little to be gained in providing REG if at the local level communities cannot be serviced.

11. Westpower is concerned that the freshwater reform package and the imposition of a number of strict requirements will add significant additional cost, risk and uncertainty in operating, maintaining and upgrading its local electricity distribution network, compromising Westpower’s delivery of electricity to the West Coast community that owns the network.

12. The continued development, operation, maintenance and upgrading of REG hydro schemes and local distribution lines is essential for:

(a) enabling the West Coast community to provide for its social, economic and cultural wellbeing and its health and safety. A secure and reliable source of electricity will allow:

(i) the West Coast community to efficiently function;
(ii) essential services, such as schools and hospitals, to meet community needs; and
(iii) industry to continue to operate and increase production to strengthen the West Coast economy; and

(b) enabling the Government to:

(i) meet its REG target of transitioning to 100% REG by 2035. This will require not only the protection of existing REG but also the development of a substantial volume of new REG. Although the total annual generation by Westpower is small compared to national generation, increasing self-sufficiency on the West Coast will contribute to replacing non-REG elsewhere in New Zealand and conserve energy that is otherwise lost via transmission;

(ii) meet the increased demand for REG as a result of transforming New Zealand’s society and economy to one that is based on REG as opposed to fossil fuels. For example, increasing reliance on electric vehicles on New Zealand’s roads will increase demand on REG. The Hon Dr Megan Woods has stated that “Electric vehicles are clearly the future and this Government will make sure New Zealand is fully on board.”; and

(iii) meet its emissions reduction targets to reduce New Zealand’s greenhouse gases (except biogenic methane) to net zero by 2050.

1 The Government’s commitment to a low emissions future has been consistently stated. The confidence and supply agreement between Labour and the Green Party requires the development of a plan for 100% of New Zealand’s electricity generation to come from renewable resources by 2035. This target was reiterated recently by Ms Ardern, in her address to the United Nations General Assembly, where she spoke of New Zealand’s ambitious plans to tackle climate change and the country’s goal of 100% REG by 2035.


3 Climate Change Response (Zero Carbon) Amendment Bill 136-2.
13. The Government has consistently and frequently stated that climate change is one of, if not the, key issue facing New Zealand. In her campaign launch speech (in 2017) the Prime Minister, the Rt Hon Jacinda Ardern, called climate change "my generation's nuclear-free moment".\(^4\) James Shaw has referred to climate change as "the greatest challenge of all time..."\(^5\)

14. Westpower agrees with setting ambitious targets to reduce emissions and improve New Zealand's climate change resilience, especially given the threat that climate change poses to biodiversity. Enabling access to freshwater resources to allow for the continued development, operation, maintenance and upgrading of REG from hydro schemes is therefore critical to combatting climate change, while providing for the wellbeing of the West Coast community, over the coming decades.

15. Westpower appreciates the importance of respecting our precious freshwater resources and fully accepts that it has a responsibility to ensure that activities are undertaken in a careful and sensitive manner. Westpower continually strives to minimise its impact on the West Coast's fresh water.

16. Westpower is committed to sound environmental practices, while delivering hydro REG to the West Coast community to provide for its social and economic wellbeing. Improvements in hydro REG supply security and self-sufficiency will help sustain employment and increase business confidence on the West Coast.

17. Westpower also accepts that fresh water quality has deteriorated seriously in some catchments and action is required to maintain and improve such catchments. Therefore, it agrees with the intent of improving New Zealand's degraded and deteriorated rivers.

18. However, the quality of fresh water in the West Coast is generally high, especially in the higher reaches. Westpower is concerned that the nationwide application of the freshwater reform package will 'lock up' healthy fresh water from use and development by imposing a "no-effects" regime on this resource.

19. Westpower has concerns that the nationwide application of the freshwater reform package, combined with its strict and absolutist nature, will make it very challenging, if not impossible, to consent and re-consent new and existing hydro REG and local electricity distribution on the West Coast. The freshwater reform package will not only prevent the benefits of REG (in terms of reducing New Zealand's greenhouse gas emissions) from being realised; as currently drafted the freshwater reform package also risks compromising the ongoing servicing of electricity distribution to communities, putting their health and wellbeing at risk.

20. Westpower considers that the freshwater resource management framework should be balanced, providing for hydro REG and local electricity distribution to ensure a low emissions future, while improving fresh water quality. Such an approach is in accordance with sustainable management.

21. To achieve this balance, amendments to the freshwater reform package are crucial to ensure that a consenting pathway for new and existing hydro REG (regardless of size) and local distribution is provided, allowing the effects management hierarchy to be employed as part of that pathway. This would enable the benefits of hydro REG and local electricity distribution (including in relation to climate change and the core service that it provides the community) to be recognised, while also achieving environmental outcomes, including improving fresh water.

22. Westpower's key concerns with the freshwater reform package include the following issues:
   (a) objective 2.1;
   (b) the exception for large hydro schemes;
   (c) the national objective framework and attributes;
   (d) threatened species;
   (e) fish passage;
   (f) wetlands;
   (g) infilling of streams;
   (h) offsetting and compensation;
   (i) minimum flows;
   (j) regional council processes for identifying, for example outstanding waterbodies and wetland; and
   (k) alignment with the National Policy Statement for Renewable Electricity Generation.

23. Westpower's full submission which provides responses to questions relevant to Westpower is attached in Appendix 2.

24. If you have any queries regarding this submission please email Rob Caldwell at rcaldwell@electronet.co.nz

Kind Regards