A submission by Meridian Energy Limited on

Draft National Environmental Standard for Freshwater

Proposals for Consultation September 2019

31 October 2019
Response to the Proposal – Proposed National Environmental Standards for Freshwater

Summary/Introduction

Meridian has a long standing and active interest in the management of freshwater, while recognising the value of water for hydro generation as well as other intrinsic and human use values. Meridian is supportive of ensuring that good water quality is maintained and declining water quality improved. Maintaining good water quality is important to Meridians ongoing operations.

Meridian owns the Manapouri Power Scheme, which is the largest hydro station in New Zealand, and the Waitaki Power Scheme the largest hydro scheme (which together with the Genesis owned Tekapo A and Tekapo B Power Stations) is the largest hydroelectric catchment in New Zealand. Almost 90% of Meridian's New Zealand annual generation is from the Manapouri and Waitaki hydro catchments. Meridian's two hydro schemes provide approximately 55% of New Zealand's hydro storage, which is critical to New Zealand's security of electricity supply.

The electricity contribution, storage contribution and flexibility these large hydro schemes provide to the New Zealand electricity system is critical. The outcomes Meridian is seeking within the National Environmental Standard Freshwater (NESF) is to ensure the contribution of these schemes to the electricity system can continue. The key reasons for this are:

- The National Policy Statement for Renewable Electricity Generation (NPS-REG) objective recognises the national significance of renewable electricity generation activities by providing for the development, operation, maintenance and upgrading of new and existing renewable electricity generation activities, such that the proportion of New Zealand’s electricity generated from renewable energy sources increases to a level that meets or exceeds the New Zealand Government’s national target for renewable electricity generation.

- In achieving the purpose of the RMA, all persons exercising powers and functions under it must have particular regard to the effects of climate change s7(i) and the benefits of renewable energy s7(j). Renewable electricity generation and particularly, hydro generation has a critical role in responding to climate change.

- Climate change and responding to climate change is a critical issue being addressed by the New Zealand Government. In particular the New Zealand Government has:
  - ratified the Paris Agreement which is the global agreement on climate change.
  - identified a target to have 100% of electricity generated from renewable resources in an average hydrological year by 2035.
  - introduced the Zero Carbon Bill which is expected to come into force in 2019 and is anticipated to commit NZ to achieving zero greenhouse gas emissions by 2050.

- Electricity demand and consumption is expected to increase, recent projections include:
  - Transpower White Paper Te Mauri Hiko – Energy Futures (August 2018) which forecasts current electricity consumption to double by 2050.
  - The Productivity Commission's report, Low- Emissions Economy, September 2018 states an increase in demand by potentially 65%.
- NESF must be capable of effective and consistent administration with the National Policy Statement for Renewable Electricity Generation and with the DNPS-FM.

- The activity status that could apply to some components of key schemes under the NESF when reconsenting nationally significant renewable electricity generation schemes, such as the Waitaki and Manapouri Power Schemes, are not appropriate.

This document identifies the changes to provisions sought and briefly identifies the key reasons why these changes are being sought. Detailed rationale for the amended provisions sought are contained in the legal submissions and the affidavits provided by Meridian, which form part of the overall submission of Meridian.

Response to the Proposals – Proposed National Environmental Standards for Freshwater

General Matters

1. Meridian has a number of concerns the implications of the Proposed National Environmental Standards for Freshwater (NESF) for nationally important renewable electricity generation infrastructure.

2. The submission seeks to ensure that the NESF is capable of effective and integrated management with the National Policy Statement for Renewable Electricity Generation and with the DNPS-FM.

3. Meridian seeks to ensure that the provisions in the NESF do not create an unnecessary obstacle to the successful reconsenting of the Waitaki Power Scheme and the Manapouri Power Scheme.

4. Meridian is particularly concerned with a number of the activity status that could apply to some components of a scheme under the NESF when reconsenting nationally significant renewable electricity generation schemes such as the Waitaki and Manapouri Power Schemes. In some situations the current provisions of the NESF, if not amended, could result in a discretionary or non-complying activity status for existing components of these schemes which have legitimate approved effect or impacts that are well understood and appropriately managed and mitigated even if re-consented on a like for like basis for existing operations. This is compared to the activity status for many of these activities in current regional plans which are permitted, controlled or restricted discretionary.

5. When considered in the context of bundling provisions under the Resource Management Act it is submitted that an activity status of discretionary will result in an outcome that is disproportionate to the resource management issue being managed. This is particularly the case for reconsenting existing nationally significant renewable electricity generation schemes where declining consent and therefore requiring the removal of the scheme is inconceivable.

6. Meridian is concerned that the NESF contains no distinction in the provisions that apply for the six large hydro schemes identified in the DNPS-FM.

7. There are a number of specific provisions that are of concern, including the temporal application of the provisions applying to natural wetlands and ensuring that these only apply to existing and not historical wetlands and the current state of the wetlands.

8. It is also noted that terms are defined in specific sub parts of the NESF that are also used in other parts of the NESF and also in the DNPS-FM. Defined terms such as "Nationally Significant
Infrastructure” are defined in and for the purposes of a specific subpart (subpart 1), but are then used in subpart 2. Even within subpart 1 the definitions and provisions applying to “nationwide significant infrastructure” and “existing hydro schemes” are not consistent, meaning that clause 13 would not be able to be applied to an “existing hydro scheme”.

9. Other phrases such as “infill” are also used to describe activities that are regulated by standards but are not defined or described. The infill standard applies to all streams, meaning all rivers and is therefore of exceptionally wide scope. This all contributes to significant uncertainty about how the standards are intended to work or will work in practice.

10. The outcome sought is to recognise the existing operations of those large hydro schemes identified in the DNPS-FM and provide a corresponding exemption from the NESF. This would then leave the individual provisions within regional plans to apply to these activities and for local decision makers to consider.

Outcome Sought
11. Insert a new section under Part 1 preliminaries to read:

Part 1 Preliminaries

1A. Exemption from this Standard

(1) This standard does not apply to the following 6 hydro-electricity generation schemes (referred to as Schemes)

(a) Waikato Hydro Scheme
(b) Tongariro Power Scheme
(c) Waikaremoana Power Scheme
(d) Waitaki Hydro Scheme
(e) Manapouri Power Scheme
(f) Clutha Power Scheme

Submitter Details

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