

15 September 2016



Amanda Moran  
Director, Resource Management Systems  
Ministry for the Environment  
PO Box 106483  
AUCKLAND

11 Chews Lane  
PO Box 10568  
The Terrace  
Wellington 6143  
New Zealand

Genesis Energy Limited

Fax: 04 495 6363

By email: [npsurbandevelopment@mfe.govt.nz](mailto:npsurbandevelopment@mfe.govt.nz)

Dear Amanda

## Submission on National Policy Statement on Urban Development Capacity

---

Genesis Energy welcomes the opportunity to submit on the proposed National Policy Statement on Urban Development Capacity (“NPS”).

We support the intent of the NPS. Many areas of New Zealand are experiencing high levels of population growth, and the consequential planning challenges to address these increasing demands for suitable land for housing and business needs are acknowledged.

However, as the provider of essential national infrastructure, we are concerned that the NPS does not provide sufficient direction to councils or decision-makers to consider the effects of urban development on this infrastructure, or to involve significant infrastructure providers in urban development processes.

Genesis Energy seeks the following three main changes to the NPS.

### **1. Rename the new definition of infrastructure to “local infrastructure”**

Genesis Energy is opposed to the introduction of a new definition for the term “infrastructure” in the NPS, which differs to the definition in the RMA.

The definition in the NPS is narrower than the RMA. It appears to apply to the scale of infrastructure required to service new urban development (such as infrastructure required for an individual allotment, subdivision, or new suburb):

*Infrastructure means network infrastructure for water supply, wastewater, stormwater, transport, and passenger transport services.*

In comparison, the definition of infrastructure in the RMA includes the types of infrastructure covered in the NPS’s definition, as well as regionally and nationally important infrastructure,

such as pipelines for gas and energy distribution, facilities for electricity generation and transmission, telecommunication networks, airports and ports.

Two different definitions will create confusion and unnecessary complexity in regional and district plans. For example, provisions in plans that give effect to the NPS will apply the term infrastructure in a different way to provisions that address other matters (non-urban development provisions).

We request that the term in the NPS be renamed to “local infrastructure” (or similar) to avoid confusion.

## **2. Reverse sensitivity effects on essential national infrastructure must be considered**

Genesis Energy's principle concern with the NPS relates to reverse sensitivity effects on essential national infrastructure. We request a policy that directs decisions makers to consider this matter.

The NPS recognises the need for *local* infrastructure to service urban areas. Objective OC1 and many of the policies explicitly recognise “infrastructure”, and as noted above, the proposed definition of “infrastructure” clearly relates to local infrastructure.

What the NPS does not recognise is *essential national infrastructure*. For example, if urban growth is directed towards essential national infrastructure, such as electricity generation sites, there is a risk that this infrastructure will be constrained by incompatible land-use and development.

We identified this concern in our original feedback on the NPS (dated 5 February 2016). In our original feedback we proposed wording for a reverse sensitivity policy and requested that the preamble to the NPS recognise the need to protect essential national infrastructure from reverse sensitivity effects. While the Ministry for the Environment’s submissions report<sup>1</sup> summarises comments on reverse sensitivity, the summary focusses on the displacement of rural or business activities and does not recognise our concerns on the potential constraints on national infrastructure (nor the reverse sensitivity policy we proposed).

We note that the Regulatory Impact Statement (RIS)<sup>2</sup> refers to reverse sensitivity as a concern raised in submissions. The RIS concludes that, while reverse sensitivity is related to the provision of development capacity, it is not central to the intent of the NPS. The RIS also states that “*it is a highly complex issue ,with much local variation, and the time available to undertake this analysis meant there was a high risk that any specific policies to address reverse sensitivity would have had unintended consequences*”.

We appreciate the complexity of reverse sensitivity, particularly when councils are required to balance a national priority such as enabling housing development, against local effects. However, the NPS must recognise other national matters such as essential national infrastructure. In our view, there will be unintended consequences if councils and decision-

---

<sup>1</sup> National Policy Statement on Urban Development Capacity: Report on section 46(a) consultation submissions, 12 April 2016

<sup>2</sup> Regulatory Impact Analysis for the Proposed National Policy Statement on Urban Development Capacity Under the Resource Management Act 1991, June 2016

makers are not directed to consider the potential for reverse sensitivity effects on essential national infrastructure.

To address the above matter, Genesis Energy requests the following addition to Policy PA3:

*When considering the effects of urban development, decision makers must...*

- *Have particular regard to the adverse effects of reverse sensitivity on national infrastructure to ensure that the use, operation, maintenance and upgrading of existing and consented infrastructure is not compromised.*

### **3. Infrastructure providers must be informed of new urban developments**

Genesis Energy is concerned that we may not be informed of new urban development that could be incompatible with existing or future infrastructure needs as plan provisions are developed or resource consent applications are assessed. While Policies PB4 and PC1 require councils to consult with “infrastructure providers”, the definition of “infrastructure” excludes Genesis Energy and other providers of essential national infrastructure. This exclusion, combined with various changes proposed in the Resource Legislation Amendment Bill to limit involvement and appeal rights, is concerning.

It is critically important that infrastructure providers (local, regional and national) continue to be well informed of developments that could affect their operations. Therefore we request that these policies be reworded to explicitly require councils to consult with providers of national infrastructure.

If you would like to discuss any of these matters further, please contact me on 04 830 0016.

Yours sincerely



Kirsty Austin  
Environmental Policy Manager

## About Genesis Energy

---

Genesis Energy is New Zealand's largest electricity and gas retailer, supplying energy to more than 650,000 customer connections nationwide, generating electricity, and trading electricity and natural gas through a diverse range of assets across the country.

Genesis Energy's portfolio of generation assets comprises:

- Thermal generation: The Huntly Power Station, the largest electricity generation facility in New Zealand by capacity (953 MW); and
- Renewable generation: Three hydro schemes (Tongariro - 361.8 MW, Waikaremoana -138.0 MW and Tekapo -179.0 MW) and a 7.3 MW wind farm at Hau Nui in the North Island. The hydro schemes comprise eight power stations (six in the North Island and two in the South Island).
- A 31% interest in the Kupe Joint Venture, which owns the Kupe oil and gas field.
- Resource consents to establish a wind farm at Castle Hill in the northern Wairarapa, with up to 286 wind turbines producing a potential generation capacity of up to 860 MW.