



**Submission to the Board of Inquiry, Proposed National Policy Statement
for Renewable Electricity Generation**

**On the Proposed National Policy Statement for Renewable Electricity
Generation**

From Kapiti Coast District Council

For further information

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1. Introduction

- 1.1 The Kapiti Coast District Council thanks the Board for the opportunity to make a submission on the Proposed National Policy Statement (NPS) for Renewable Electricity Generation.
- 1.2 Given the critical importance of renewable electricity generation to New Zealand's energy supply over the coming decades, the Kapiti Coast District Council strongly supports the government's focus on renewable energy and the overall direction of the proposed NPS (although we have concerns over some of the specific policies proposed). New Zealand has enviable renewable energy resources that give us the opportunity to transition smoothly to a low-carbon energy future if we make the right decisions now.

2. General Comments

- 2.1 Given the significance of this issue, our view is that a more comprehensive and more widely discussed NPS would be of value to decision-makers, developers and the community. We would support an expansion of the scope of the NPS, and a longer and broader public discussion of these issues. We have provided specific comments in Section 3 below on the proposed policies, however there are additional areas that we would like to see addressed:
 - We would support direction on the need for national, regional and local co-ordination to designate areas appropriate (and inappropriate) for renewable energy development, with the objective of providing greater clarity and certainty to communities on what developments may be expected, and of minimising cost and stress for all involved. While iconic landscapes and other sensitive areas should be protected, it should also be clear that development is supported elsewhere. National-level involvement is needed both to ensure proper resourcing of this process and consistency of outcomes.
 - Guidance on balancing the benefits of renewable electricity development against other Part II matters under the RMA would be useful.

The preamble to the proposed NPS identifies the problem as how to provide a '*nationally consistent approach to balancing competing values associated with the development of New Zealand's renewable energy resources*'. However the NPS objective relates only to promoting renewable electricity activities, and the Section 32 analysis repeatedly states that while the intention is to raise the priority of renewable electricity development somewhat, the proposed policies do not alter the normal process of balancing against other Part II matters. That is, no guidance is actually provided on balancing benefits and impacts.

There seems to be a mismatch between the problem outlined in the preamble and what the NPS delivers. The Board should consider whether these could be better aligned, and whether greater guidance on balancing benefits and impacts can be provided.

- The role of renewable electricity generation in delivering affordability of supply to consumers, and policies to promote this, should be included. Affordability of electricity is a key concern for consumers and for the Kapiti Coast District Council. The preamble to the proposed NPS sets the challenge as delivering “*clean, secure, affordable energy while treating the environment responsibly*”. In our view the proposed policies do not explicitly address the issue of affordability.
- There should be additional focus on small-scale and distributed generation at the household and business level (this is discussed further under Policy 5 below).
- There must be appropriate national and regional support and collaboration if these policies are to be successfully delivered. The role of national government in resourcing and supporting should be made explicit.

2.2 It should also be noted that since the development of this NPS began, a number of factors mean that it is now easier for large renewable projects to get timely resource consents. This could mean that some policies in the draft NPS now provide more support for large projects than is really necessary. In particular:

- Case law is being established following amendment of Section 7 of the RMA to include consideration of the benefits of renewable energy. The Environment Court has been reasonably explicit in defining the benefits of renewable energy, and has given them significant weighting against local adverse environmental impacts.
- There is a new call-in process to speed up decision-making for projects of national significance. This is already being actively used in relation to renewable energy projects, with one geothermal project approved and two wind farms in the process.

We suggest that in light of these changes, the Board consider whether all of the policies in the proposed NPS are really appropriate and necessary, particularly Policy 2.

3 Submission on Specific Proposed Policies

3.1 Policy 1

We support inclusion of this policy.

The Kapiti Coast District Council supports inclusion of the statement “*The benefits of renewable electricity generation activities, at any scale, are of national significance.*” This statement is particularly important because it suggests that small projects will receive the same favourable consideration as larger ones. This is not self-evident: it is easy to argue that a large windfarm is nationally significant because it increases diversity and security of supply. It is much harder to make that argument for a single small wind turbine serving one or two properties.

The second statement “Decision-makers must have particular regard to the national, regional, and local benefits relevant to renewable electricity generation activities” is redundant, as it essentially just restates S.7 of the RMA.

Finally, inclusion of a definition of the benefits of renewable energy is important, to avoid these having to be argued at every resource consent hearing. This would be particularly helpful for smaller projects. Although decisions from the Environment Court have now substantially documented the benefits of renewable energy, this clause will still have an impact in making hearings move more smoothly.

A longer list of potential benefits would be helpful, including issues like

- improvements to (or preservation of) local air quality
- increased economic resilience by reducing dependence on fossil fuels which are subject to price shocks

3.2 Policy 2

The Kapiti Coast District Council has two significant concerns about this policy, particularly clause (ii).

Our first concern is that this policy will lead to the applicants’ views on what consent conditions are/aren’t reasonable being given significantly more weight than at present. Although alternative advice can always be sought by hearing authorities, we are concerned that in practice decision-makers would be reluctant to dismiss applicants’ information on technical and logistical practicalities, as applicants would be seen as the experts on this issue.

As an example, an applicant could argue that no changes can be made to a project or else the whole project will not be viable, and decision-makers would be required to have “particular regard” to this constraint,

essentially pressuring them into a yes/no decision. However experience shows us that applicants can say during hearings that no changes can be made, yet manage to agree to negotiated changes later in the process.

Our view is that consent authorities need to feel free to make their own decisions on what conditions are reasonable.

Secondly, the phrase “must have particular regard to” elevates this consideration to be of equal importance to the benefits of renewable energy themselves (as outlined in Policy 1). This is a very high priority to be giving to technical constraints, and could be interpreted as overriding the need to avoid, remedy or mitigate in some circumstances.

We consider that a lower priority for these issues would be more appropriate.

As stated in the introduction, recent developments such as call-in provisions and Environment Court case law have made consenting easier for renewable energy developers. We question whether policy 2 is necessary or appropriate.

3.3 Policy 3

We are unsure as to the intent of this policy and are uncomfortable with the concept of reversibility.

Although some renewable electricity options are fully reversible (such as installation of household solar panels or rooftop wind turbines), most large scale projects involve significant earthworks or construction with irreversible adverse effects. This policy could have the perverse outcome of counting against many large renewable electricity projects. Given the developing nature of renewable energy technologies, limiting the scale of development possible may hamper the investigation of new technologies, incentivising non-renewable sources.

We further note that temporary effects can already be dealt with under the RMA, and that in light of that this policy is largely redundant.

We are concerned that this policy may cause confusion and prevent the objectives of the policy statement from being realised. At very least, “reversibility” needs to be clearly defined.

3.4 Policy 4

We support the intention of this policy, but have issues with the precise wording.

We are concerned by use of the term “enable”, as its meaning is not clear and could imply that Council would actively encourage or promote these activities. The Section 32 analysis states that the intention is that there should be “no unnecessary barriers” to low-impact activities. We suggest that it would be clearer to replace “enable” with “remove unnecessary barriers to” or a similar phrase.

There is also no definition of “research-scale”. This could be problematic, as it could mean anything from a single solar panel to large many-turbine wind farm. There is no guarantee that these activities will be low-impact. If special provisions exist for research facilities, this creates an incentive for all installations to be labelled as “research”.

3.5 Policy 5

We support the intention of this policy, but have issues with the precise wording.

Under this policy, community-scale generation is defined as less than 4MW. Depending on the technology chosen, some projects on this scale (particularly small hydro) may have significant local effects. For example, a 4MW wind farm could mean 17 large (Brooklyn sized) turbines on a ridgeline. We consider that actual technologies and actual effects need to be considered in applications, and the assumption cannot be made that anything under 4MW is low-impact.

We are unsure why marine, offshore wind and tidal generation need to be excluded. All renewable generation should be encouraged as long as actual technologies and actual effects are considered.

As in Policy 4, we feel that “enable” could more accurately be replaced by “remove unnecessary barriers to”.

On the other hand, very small-scale generation (at the individual household or business level) does need to be actively facilitated. Over the next few years these technologies will become increasingly cost-effective, and the more quickly they are adopted the fewer high-impact large generation projects will be needed.

As an example, household generation could be facilitated by setting subdivision rules around the siting, orientation and roof characteristics of new houses to allow for future solar generation.

We suggest that a new policy is added to specifically require provisions relating to household-level generation in planning processes.

Kapiti Coast District Council wishes to speak to this submission.