

SUBMISSION ON PROPOSAL FOR NATIONAL POLICY STATEMENT FOR RENEWABLE ELECTRICITY GENERATION

In accordance with section 49 of the Resource Management Act 1991

To The Chairperson
Board of Inquiry

This is a submission on the (following) proposed national policy statement for renewable electricity generation (the proposal) that was publicly notified on 6 September 2008.

The **Tasman District Council** thanks the Minister and Board for the opportunity to be part of the development of a National Policy Statement (NPS) for renewable electricity generation.

The specific provisions of the proposal that the Council's submission relates to are:

1. The whole proposal

1.1 The Council's submission is:

The Council believes that this proposed NPS on renewable electricity is a missed opportunity to advance an integrated strategic approach to renewable energy in all its forms for New Zealand. The scope of renewable energy issues for New Zealand intersects with the issues arising from climate change risks and the long term availability of fossil carbon energy. The mitigation of climate change risks will have to address both carbon management and fossil carbon substitution with alternative energy sources. This involves consideration not only of renewable energy, but the place of non-renewable energy, managing energy demand, and energy efficiency. This scope of issues is therefore large, and not all of these are capable of being addressed through statutory resource management.

The Council however accepts that there is an important value for national policy dealing with the enabling of development of renewable electricity sources, in order to meet a national target for renewable electricity generation. But this support is conditioned by the fact that both government and energy development market initiatives will be needed alongside RMA regulatory policies to achieve such a target. These include research and development across the production, process technology, distribution and end-use chains, as well as non-RMA national regulatory policy to enhance economic uptake of generation opportunities.

The scope of the NPS is misleading, in that it is the electricity generation source that is renewable, not the electricity. Furthermore, while the energy sources for generation (solar, wind, hydro, geothermal, tidal, wave, ocean current and biomass) are renewable, these sources are found in a finite number of developable sites in land, freshwater and marine environments. So renewable electricity is more correctly described as "electricity from renewable sources".

1.2 The Council seeks the following changes to the proposal:

Incorporation after investigation and consultation of national policy statement provisions addressing in an integrated manner, the opportunities and priorities as appropriate, for the development of energy from renewable biomass and heat sources.

2. Objective of the NPS

2.1 The Council's submission is:

There is inconsistency in the NPS regarding its purpose or aim: the objective refers to promoting electricity generation activities; the preamble refers to consistency in resolving contests between electricity generation and other resource values. In addition, the objective contains a resource development target (90% of electricity generation from renewable sources by 2025) that is not possible for decision-makers under the RMA alone to achieve.

The Council's view is that any NPS must have some clear and supportable environmental outcome as its purpose or objective. The RMA requires that any NPS must have a sustainable resource management issue to address that is a matter of national significance. The problem that underlies this NPS as its starting point; is the assumption that an increased rate of generation from renewable resources is desirable, and that implicitly, the resource management planning frameworks around NZ are not adequately enabling this increased rate of generation at present. But all renewable resources that might provide electricity generation sites, already have a range of other values, many of significance both nationally, as well as locally. A key uncertainty is just this level of significance for other resource values, and so how to best resolve contests with electricity generation from the renewable resources of wind and solar on land, and the kinetic energy of water bodies and of the coastal marine area. The RMA requires decision-making to achieve some resolution of these resource use conflicts, in a manner that is in accordance with Part 2 of the Act.

If the aim of the NPS is indeed to increase the rate of generation from such resources, then this will require significant priority-setting through the NPS policies in order that such an objective may be achieved. Our assessment following of the policies is that they will not achieve this stated objective, and that any attempt in a NPS to so prioritise electricity generation as the preferred resource use, may fall foul of RMA Part 2. Furthermore, inclusion of a resource development target is not appropriate for a NPS where the RMA requires other resource values to be accounted for in any attempt to meet such a target; and the means of achieving such a target are not limited to RMA decision-makers, but include initiatives by the government itself and the generator market.

2.2 The Council seeks the following changes to the proposal:

That the objective be amended to delete reference to the target of 90% of electricity generation from renewable sources by 2025; and that the following text or text to like effect be inserted:

consistent with the provision for other significant values of land, water and coastal resources.

3. Policy 1

3.1 The Council's submission is:

Policy 1 requires decision-makers to give particular regard to the benefits at all levels of electricity generation from renewable resources, and gives a status of "national significance" to the benefits of such generation activities. That is helpful to a point, but the policy does not address the likelihood and significance of adverse effects of generation activities on other significant resource use values, and the benefits flowing from the recognition of those values as against an electricity generation end-use. The policy does not help in the evaluation of such adverse effects as opportunity costs of electricity generation. And it gives no guidance on how such "nationally significant" generation benefits relate to the nationally important values encoded in Section 6 RMA.

The policy does not distinguish between different renewable sources for electricity generation, and consideration of relative benefits from wind, geothermal and possibly coastal marine, as against hydro-generation, is a potential improvement. Each region will have widely differing endowments of generation sites in these settings, but the Council considers that the risks to other resource values of rivers and lakes from hydro-generation are likely to be more significant in national terms than in the other renewable resource settings, as rivers and lakes have an established suite of other values that are of significance at all levels. Arguably also, the matter of relative reversibility of generation from sites other than hydro-generation sites is relevant to this distinction.

Identification of other resource use values and understanding their relative significance where they may be affected by electricity generation activities will be an important part of resolving decisions to be made about where new generation activities are established. The policy provides no guidance on this need.

The Council supports the reference in the policy to "decision-makers" as evaluation of benefits is relevant to both resource policy formulation under plan-making, and resource consent decision-making.

The Council does not consider that the policy would require all plans to be amended, and does not oppose its retention.

3.2 The Council seeks the following changes to the proposal:

That Policy 1 be amended to:

- **Give guidance on the suite of benefits and on the adverse effects as opportunity costs arising from the electricity generation end-use of renewable resource sites**
- **Clarify the priority of electricity generation end-use of renewable resources other with nationally significant renewable resource values**
- **Clarify the priority of the resulting policy provisions against Section 6 matters of national importance relevant to the effects of electricity generation activities.**

4. Policy 2

4.1 The Council's submission is:

Policy 2 requires consent authorities to have particular regard to various specified constraints to the management of adverse effects of electricity generation from renewable resource sites. The difficulty with this policy is that there is high uncertainty in the implied standard of effects management required, in the light of these stated constraints, in a wide variety of site situations around the country. Constraints such as where the energy source is, relative to demand, infrastructure, and site use logistics, all mean a potentially variable duty on consent authorities under the policy, and a risk of differing degrees of stringency in effects management in different circumstances. Effective management of adverse effects may thus be compromised.

4.2 The Council seeks the following changes to the proposal:

That a requirement to always achieve a consistent standard of management of adverse effects arising from electricity generation from renewable sources, at all sites be inserted after the wording of Policy 2, as follows:

Provided that decisions consistently result in effective management of adverse environmental effects across the range of specified circumstances affecting all renewable energy sources.

5. Policy 3

5.1 The Council's submission is:

Policy 3 requires decision-makers to have particular regard to the relative degree of reversibility of the adverse effects of proposed generation technologies. The Council notes that while some sources of renewable electricity generation may require technologies that would if established, be relatively costly to theoretically remove, and may also result in potentially irreversible effects, there is no necessary link between these considerations. The policy assumes value from the criterion of relative reversibility that relies on unrealistic circumstances. That is, the criterion is not relevant in operational practice, as once facilities are in place, they are permanent in demand terms and so in supply terms. This is because of the rate of demand growth for the electrical energy, in practice assures a renewal of authorisation of such facilities. The cost of decommissioning a particular technology to achieve a more effective generation source is a market decision, not a regulatory one. The Council accepts that the degree of reversibility of environmental effects varies with the source type of renewable energy and its capturing technology. For example, wind turbines and solar panels can be removed, leaving no evidence; in contrast a substantial river dam is not likely to be removed for the reasons given, but if it were it would leave a drowned former vegetated landscape that may not fully revert to its former state. But consideration of removing a technology at an existing or potential site in order to more effectively manage adverse effects, including to increase their reversibility at the site, ignores the consent decision-making and market realities identified.

Beyond questions of reversibility of technology at any generation sites, the key national policy consideration is that paradoxically, the stock of sites with renewable energy resource values for electricity generation is more or less finite (however with innovative technology, it may be a large finite amount relative to sustainable demand). The pertinent decision challenge is not whether the site use by prevailing technology has reversible adverse effects. Rather it is the accounting for the abundance and significance of this stock of sites with value for electricity generation (rivers & lakes, sunny or windy land, coastal marine, hot ground or groundwater) around NZ, together with accounting for the

alternative affected values of such sites, such as the range of instream values for water bodies, and landscape for land sites; and devising ways of appropriately trading off between these sets of values.

5.2 The Council seeks the following changes to the proposal:

That Policy 3 be deleted.

6. Policy 4

6.1 The Council's submission is:

Policy 4 requires the amending of plans within 3 years to enable activities for investigations into sites, sources and technologies for electricity generation from renewable resources. The Council considers that some standard approach to codifying such activities and their acceptable levels of effects is both possible and desirable, and that therefore, this policy is an inefficient method of achieving the enabling that is sought. A national environmental standard rather than this policy is considered to be a more efficient and appropriate method of achieving consistent provision for such activities under plans. The aggregate cost of Schedule 1 processes without any standardisation attempted by the government is a gross waste of scarce ratepayers' fiscal resources.

6.2 The Council seeks the following changes to the proposal:

That Policy 4 be deleted and that instead, a national environmental standard be developed to achieve the necessary guidance and standardisation for importing into plans by reference what the policy seeks.

7. POLICY 5

7.1 The Council's submission is:

Policy 5 requires the amending of plans within 3 years to enable activities for "small and community-scale distributed" generation of electricity from renewable sources. The Council notes that the assumption behind this policy appears to be that there are relative benefits from the aggregate generation capacity derivable from this scale of generation, or that the aggregate adverse environmental effects are of lesser significance than fewer, larger sites, whether hydro-generation sites, or wind or solar generation sites.

It is considered that the relative cumulative effects assessment of small generation sites compared with larger, is quite complex and with uncertain findings in such a comparison. For example, in looking at hydro-generation sites, all scales of such sites will pose interference risks for other water body values (eg. conservation land, headwater spawning, landscape and instream sports and recreation). The efficiency of location with respect to demand is a relevant criterion for comparing scales of facilities but the grid itself is a resource, and grid proliferation and network effects is a risk of this policy's promotion.

Provided that some consistency of effects assessment and management across the spectrum of small generation sites can be achieved, the pursuit of the intent of the policy is accepted as likely to add value. However, as with Policy 4, the Council considers that

some standard approach to codifying such activities is both possible and desirable, and that therefore, this policy is an inefficient method of achieving the enabling that is sought.

A national environmental standard rather than this policy is considered to be a more efficient and appropriate method of achieving consistent provision for such activities under plans. It is considered that the capacity threshold of 4 MW for community-scale is arbitrary in relation to either generation efficiencies or the effective management of cumulative adverse effects and requires re-examination in the light of both these considerations.

6.2 The Council seeks the following changes to the proposal:

That Policy 4 be deleted and that instead a national environmental standard be developed to achieve the necessary guidance and standardisation for importing into plans by reference what the policy seeks, but subject to the evaluations identified in the text of this submission.

The Council wishes to be heard in support of its submission.

If others make a similar submission, the Council will consider presenting a joint case with them at a hearing.



Signature of submitter (or person authorised to sign on behalf of submitter)

31 October 2008

(A signature is not required if you make your submission by electronic means.)

Address for service of submitter:	Tasman District Council Private Bag 4 Richmond 7031
Telephone:	03 5438427
Fax/email:	steve@tdc.govt.nz
Contact person: [<i>name and designation, if applicable</i>]	Steve Markham Manager Policy