

SUBMISSION ON PROPOSED NATIONAL POLICY STATEMENT FOR RENEWABLE ELECTRICITY GENERATION

To: Board of Inquiry – NPS for Renewable Electricity
Generation
Ministry for the Environment
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1. This is a submission on the following proposed National Policy Statement:
The Proposed National Policy Statement for Renewable Electricity Generation.
2. The specific provisions of the proposal that Mighty River Power Limited's ("Mighty River Power") submission relates to are outlined and detailed below.
3. Mighty River Power does wish to be heard in support of its submission. If others make a similar submission, Mighty River Power will consider presenting a joint case with them at a hearing.

EXECUTIVE SUMMARY

4. Mighty River Power welcomes this opportunity to make a submission on the proposed National Policy Statement for Renewable Electricity

5. Generation (NPS-RE). While Mighty River Power is generally supportive of the NPS-RE there are a number of concerns and comments on the detail and implementation of this proposed NPS-RE which are outlined in this submission.
6. Mighty River Power's concerns with this proposed NPS-RE arise from the inclusion in the proposed document of Policy 3 requiring decision makers to have particular regard for the relative degree of reversibility of impacts of development.
7. Specifically, the issues of concern are as follows:
 - 7.1 There are only limited opportunities available for the development of renewable energy resources within New Zealand.
 - 7.2 The concept of reversibility introduces a level of restriction and potentially a substantial barrier for energy generators which has not been placed on other resource users and developers under the Resource Management Act 1991 ("the RMA").
 - 7.3 The concept of reversibility as currently outlined in Policy 3 of the NPS-RE is inconsistent with the purpose and principles of the RMA.
8. Mighty River Power also believes there is potential for the following unintended consequences arising from adopting the proposed NPS-RE:
 - 8.1 the lack of integration between existing and proposed National Policy Statements;
 - 8.2 the requirement for a test of relative reversibility;
 - 8.3 inconsistency with the purpose and principles of the RMA; and
 - 8.4 tension with the proposed New Zealand Coastal Policy Statement.

BACKGROUND TO MIGHTY RIVER POWER'S SUBMISSION ON THE PROPOSED NATIONAL POLICY STATEMENT ON RENEWABLE ELECTRICITY GENERATION

INTRODUCTION

9. Mighty River Power is a State Owned Enterprise (SOE) established under the State-Owned Enterprises Act 1986. Its principal operations are electricity generation and energy retail activities. Mighty River Power has over 340,000 customers, employs 680 staff, is the fourth largest

electricity generator in New Zealand (based on electricity produced annually) and the third largest electricity retailer (based on customer numbers).

10. Mighty River Power produces electricity from renewable and other energy resources and sells energy and energy-related services and products to retail and wholesale customers.
11. The scope of Mighty River Power 's business relating to this NPS-RE is:
 - 11.1 securing fuel to meet long term energy needs;
 - 11.2 managing fuel reservoirs;
 - 11.3 conversion of fuel into higher value energy forms, particularly electricity.
12. Mighty River Power's objectives include being a leader in achieving the objectives of sustainable development for the communities in which the group operates through world's best management of hydro, geothermal and other fuel resources.
13. In achieving this objective Mighty River Power will:
 - 13.1 Continue to seek efficiency enhancements from current generation systems as new technologies provide opportunities to gain additional output from existing plant.
 - 13.2 Maintain and develop a portfolio of generation assets with fuel diversity.
 - 13.3 Continue to encourage energy efficiency at the end user level.
 - 13.4 Continue to monitor and review prospective renewable energy generation and end-use efficiency technologies to ensure that when these are considered commercially capable of making a material contribution to New Zealand's energy requirements, that we are part of that development.
 - 13.5 Extend the breadth of our involvement across a full range of sustainable development activities, in particular providing leadership and direction in the energy field.
14. The business fundamentals of Mighty River Power involve the investment of significant amounts of capital in assets with lives of 30 to 100 plus years that are generally dependent upon the sustainable management of natural resources and their associated effects.

IMPORTANCE OF RENEWABLE ELECTRICITY GENERATION FOR MIGHTY RIVER POWER

15. At the heart of Mighty River Power's business activities is the generation of electricity. On average, the generation stations it owns or operates generate a total of around 6,500 gigawatt hours (GWh) annually. This represents approximately 15% of New Zealand's current electricity requirements. Mighty River Power's generation assets encompass hydro, geothermal, thermal (gas) and bio-energy (recovered methane) power stations.
16. The Waikato hydro system provides the majority of the Company's electricity generation, averaging 4,200 GWh per year. The actual amount of energy generated by the Waikato hydro system varies from season to season and year to year depending on how much rainfall there is in the various catchments, as it does for all of New Zealand's hydro systems. The range of variation in the Waikato system has been between 3,200 GWh and 5,800 GWh over the past 20 years.
17. Without access to the water resources of the Waikato hydro system the sustainability of Mighty River Power's business would be undermined. Hydro-generation is its dominant generation type at present and while there is scope to expand investment in other generation using alternative fuel sources, it is expected that hydro will continue to be an important and significant part of its generation portfolio for the foreseeable future.
18. Mighty River Power has a significant and growing portfolio of geothermal assets. These assets include a 25% shareholding in the Tuaropaki Power Company's 113MW geothermal power station at Mokai near Taupo, which Mighty River Power operates and manages on behalf of Mighty River Power and its co-shareholder - the Tuaropaki Trust - and a 33MW geothermal power station at Rotokawa near Taupo which the company owns and operates in partnership with Tauhara North No. 2 Trust and a 100MW geothermal power station at Kawerau. A second power station on the Rotokawa geothermal field with a capacity of 132 MW is currently under construction and expected to be commissioned in 2010.
19. The company owns and operates bio-energy power stations that recover methane gas from landfills at Rosedale and Greenmount in Auckland, at Silverstream near Wellington and a new facility at Tirohia just outside Paeroa. The total capacity of these four stations is 13MW.

20. Mighty River Power has recently acquired a stake in New Zealand wind turbine developer and supplier, Windflow Technologies Limited. This is a further indicator of Mighty River Power's intentions for ongoing development of renewable electricity generation in New Zealand.
21. Mighty River Power is currently working through the process of consenting the Turitea wind farm in the Manawatu, which is planned to have a capacity up to 360MW when completed.
22. In terms of thermal power generation, Mighty River Power owns the 170MW Southdown gas fired co-generation plant near Auckland.
23. Over 85% of Mighty River Power's electricity production is from renewable hydro and geothermal resources.

RENEWABLE ELECTRICITY GENERATION IS NATIONALLY IMPORTANT

24. New Zealand's electricity system is underpinned by hydro-generation. Hydro generation is critical to New Zealand's security of electricity supply, its economic development, the delivery of the New Zealand Energy Strategy (NZES) and the meeting of its international climate change obligations.
25. Electricity is integral to the functioning of a modern economy, often with no alternatives. New Zealand's economic and social wellbeing is inextricably dependent on a secure, cost effective, self reliant and diverse electricity supply system.
26. The Electricity Commission's National Demand Forecast (May 2007) predicts that New Zealand's demand for electricity will continue to grow for the foreseeable future. The demand for electricity in New Zealand has grown on average by around 2.3% per annum since 1980 to its current level of around 40,000 GWh. In some years, demand growth has exceeded 3% to 4% and current forecasts range from 1.3% through to 2.5% per annum over the next 25 years.
27. These expectations for growth in demand for electricity do not currently include an allowance for the ongoing substitution of fossil fuel by electricity in transport and stationary energy. It is realistic to expect this could add up to 1% to the demand growth over the next 30 years. This is a reflection on the Governments expectations for the uptake of electric traction in transport with a parallel change in non-transport energy provision.
28. The expected growth in electricity demand will result in a requirement for New Zealand to double its current renewable electricity capacity by

2025, while at the same time increase the amount of thermal generation available by approximately 50% in order to maintain security of supply, as has been evidenced by the generation requirements of early to mid 2008. Looking further into the future to around 2050 it is likely that New Zealand will need to make provision for an additional 60% renewable generation capacity again on the 2025 level to meet any ongoing growth requirements. Any suggestion that this is not likely to be required is naive.

29. Historically New Zealand has relied heavily on hydro electricity backed up by flexible thermal generation plants. However, New Zealand is becoming increasingly reliant on the flexibility of hydro generation as thermal flexibility declines.
30. Against this backdrop it is critical that existing energy infrastructure is maximised and opportunities to increase and diversify New Zealand's generation capacity, and in particular renewable generation capacity, are fostered.

CLIMATE CHANGE

31. New Zealand has made an international commitment to reduce greenhouse gas emissions to 1990 levels during the initial Kyoto Protocol commitment period (2008 to 2012). This has significant implications for New Zealand, noting that on current predictions, New Zealand faces adverse economic impacts during the first commitment period of approximately \$0.5 to \$1.2 billion¹.
32. To comply with its obligations under the Kyoto Protocol, New Zealand must look to reduce its emissions of greenhouse gases in all sectors of the economy including the current reliance on thermal generation by developing its renewable energy resources.
33. The Government has placed a moratorium on new thermal base-load generation for the next 10 years. This means that New Zealand will be even more dependant on its existing renewable generation assets and will have to develop more of its hydro, geothermal, biomass, wind, solar, wave and tidal energy resources. Opportunities for such development need to be maximised in the national interest, and recognised through the development of appropriate provisions of this NPS-RE.
34. The NZES sets a target of 90% of the country's electricity being supplied by renewable electricity generation by 2025. Government policy is that it is "in New Zealand's longer-term economic and environmental interests

¹ <http://www.climatechange.govt.nz/about/kyoto-provision.html>

to meet increases in [electricity] demand through an economic mix of renewable energy sources...”² The Government expects to achieve this outcome through: “Maximising the contribution of cost-effective renewable energy resources while safeguarding our environment” and “Aggressively pursuing existing and new renewable-based electricity generation...”³

35. The nation’s ability to achieve its energy and climate change goals is to an extent dependant on the impact of this proposed National Policy Statement.

GENERAL SUBMISSION ON THE PROPOSED NATIONAL POLICY STATEMENT FOR RENEWABLE ELECTRICITY GENERATION

INTEGRATING NATIONAL POLICY STATEMENTS WILL INCREASE THE LIKELIHOOD OF GOVERNMENT OBJECTIVES BEING MET

36. Mighty River Power notes that as part of the Government’s Sustainable Water Programme of Action there has been progress on the development of a National Policy Statement for Freshwater Management (NPS-FW) and that the New Zealand Coastal Policy Statement (NZCPS) is currently under review. Both of these important policy statements play a role in enabling or restricting the development and operation of renewable electricity generation in New Zealand. A National Policy Statement for Electricity Transmission has also recently been completed which will also influence the development of renewable electricity generation projects.
37. It is important that the various national policy statements work in an integrated manner in order to achieve success in the objectives set out in each of them. For instance, the NZCPS promotes protection of the ‘coastal environment’ which includes all of the coastal marine area and a section of the land adjacent to the coast from “inappropriate use and development”. This includes the use of the ‘coastal environment’ for the generation of renewable electricity. The generation of electricity is intended to be enabled through the development of the proposed NPS-RE, which is the subject of this submission.
38. A quick assessment of the potential resources which may provide generation ‘fuel’ for renewable electricity indicates that approximately half of the potential wind energy resource is within the coastal

² New Zealand Energy Strategy, pg 22

³ New Zealand Energy Strategy, pgs 15,36.

environment and not surprisingly all of the potential marine, tidal or wave, generation. The opportunities for the development of these potential electricity sources is extremely limited by the NZCPS, as a result of the strongly protectionist approach taken to the policy which is to be read along with the enabling but not requiring approach taken in the NPS-RE.

39. It is Mighty River Power's opinion that the proposed NPS-FW offers no support towards achieving the Government's targets around maintaining security of electricity supply and building New Zealand's electricity generation capacity up in order to deliver a 90% renewable generation profile by 2025 as promoted in the New Zealand Energy Strategy.
40. The NPS-FW does not promote the development of hydro electricity generation as any form of priority for the use of the nation's fresh water resources, even though such use leaves the water still available for other abstractive or in-stream use following its generation use. If there is to be any expectation of achieving these long term goals for New Zealand any opportunity to provide for the provision of renewable electricity generation cannot be overlooked.
41. Section 104 of the RMA requires that all national policy statements' applicable to any decision making process are to be considered together and given equal priority. In a situation where more than one national policy statement is applicable in a particular decision the manner in which each national policy statement is developed and the strength of its policies is extremely important.
42. In the current case of the development of renewable electricity generation capacity this becomes extremely important because the policies applicable to this development are in tension and not working in an integrated manner to achieve New Zealand's long term targets.
43. It seems obvious that if national policy statements are to be used to inform and guide the development of renewable electricity generation capacity they should all be working in an integrated manner to achieve the desired outcome rather than against one another in manner which constrains rather than enables such desired development.

RELIEF SOUGHT

44. Mighty River Power seeks that the **ongoing development** of the NPS-RE is not undertaken in isolation. The key to successful achievement of the targets that are key to New Zealand's development, such as those identified in the New Zealand Energy Strategy, lies in the integration of all of the applicable National Policy Statements.

45. It is recommended that this Board of Inquiry work with the respective Boards of Inquiry into the NZCPS and the NPS-FW so that the current tension in the various documents is eliminated. If this integration adds to the time required to bring these policy statements to finalisation this is a worthwhile delay to allow for the long term outcome.
46. If the Board considers that the most appropriate means to achieve the integration required for success is to withdraw all three policy statements and redraft portions of them then Mighty River Power is of the opinion that this option should not be overlooked.

SPECIFIC SUBMISSIONS ON THE OBJECTIVE AND POLICIES CONTAINED IN THE PROPOSED NATIONAL POLICY STATEMENT FOR RENEWABLE ELECTRICITY GENERATION

OBJECTIVE

47. The objective in the NPS-RE is:
- 47.1 *“To recognise the national significance of renewable electricity generation by promoting the development, upgrading, maintenance and operation of new and existing renewable electricity generation activities, such that 90 percent of New Zealand’s electricity will be generated from renewable resources by 2025 (based on an average hydrological year)”.*
48. Mighty River Power **supports** the inclusion of this objective in the proposed NPS-RE. Unfortunately the policies promoted in the NPS-RE do not provide the strong guidance required to achieve this objective.
49. This support is based on the following reasons:
- 49.1 The policies included in the NPS-RE are enabling provisions which allow renewable electricity generation to be developed and operated. There is an opportunity in the NPS-RE to establish renewable electricity development as a national priority much the way that the New Zealand Coastal Policy Statement establishes national priorities.
- 49.2 If the objective of 90% renewable electricity generation by 2025 is to be achieved the NPS-RE policies must prioritise and promote development rather than allow it. Any development contemplated must pass a significant number of hurdles, such as the New Zealand Coastal Policy Statement and regional and district plan provisions which are intended to constrain

development generally and in doing so will frustrate the development required to meet the objective.

- 49.3 The objective is supported and new policies should be developed to promote renewable electricity generation across New Zealand.

RELIEF SOUGHT

50. Mighty River Power seeks the retention of the objective to the proposed NPS-RE in its current form or, if amendments are deemed to be necessary, in a form that realises the intent behind the Objective.

POLICY 1 – RECOGNISING THE NATIONAL SIGNIFICANCE OF THE BENEFITS OF RENEWABLE ELECTRICITY GENERATION ACTIVITIES

- 50.1 Mighty River Power supports the inclusion of Policy 1 in the proposed NPS-RE. This support is based on the following reasons:
- 50.2 The Policy recognises the national significance of the benefits derived from renewable electricity generation activities.
- 50.3 The Policy requires decision-makers to have particular regard to the local, regional and national benefits relevant to renewable electricity generation activities.
- 50.4 The Policy recognises that the maintenance or increasing of electricity supply is an activity which has national benefits.

RELIEF SOUGHT

51. Mighty River Power seeks the retention of Policy 1 in the proposed NPS-RE in its current form or, if amendments are deemed to be necessary, in a form that realises the intent behind the Policy which is the recognition of the national significance of the benefits from renewable electricity generation activities.

POLICY 2 – ACKNOWLEDGING THE PRACTICABLE CONSTRAINTS ASSOCIATED WITH THE DEVELOPMENT, UPGRADING, MAINTENANCE AND OPERATION OF NEW AND EXISTING RENEWABLE ELECTRICITY GENERATION ACTIVITIES

52. Mighty River Power **supports** the inclusion of Policy 2 in the proposed NPS-RE. This support is based on the following reason:

- 52.1 The Policy recognises that there are constraints, including practical and technical issues, on being able to avoid, remedy or mitigate adverse effects of renewable electricity generation activities.

RELIEF SOUGHT

53. Mighty River Power seeks the retention of Policy 2 in the proposed NPS-RE in its current form or, if amendments are deemed to be necessary, in a form that realises the intent behind the Policy which is the recognition that constraints of various types do exist on the ability of electricity generators to be able to avoid, remedy or mitigate adverse effects from renewable electricity generation activities.

POLICY 3 – HAVING REGARD TO THE RELATIVE REVERSIBILITY OF ADVERSE EFFECTS ASSOCIATED WITH PARTICULAR GENERATION TYPES

54. Mighty River Power **opposes** the inclusion of Policy 3 and the test of relative reversibility in the proposed NPS-RE. This opposition is based on the reasoning outlined below.
55. A key feature of the proposed NPS-RE is the inclusion of the a requirement for decision makers, when considering proposals to develop new renewable generation capability, to have particular regard to the relative degree of reversibility of the adverse environmental effects associated with proposed generation technologies.
56. The inclusion of Policy 3 in the NPS-RE has the potential to completely override any value gained by the development of the national policy statement, and implies a degree of interference in the process of RMA consenting which is neither warranted nor justified.
57. The inclusion of this test of reversibility into the decision making process associated with renewable electricity generation proposals introduces a significant hurdle which is only to be applied to renewable electricity generation projects. This is counter to the intent of providing for and increasing in the amount of renewable electricity capacity in New Zealand with the aim of achieving 90% renewable generation by 2025.
58. It is understood from the Section 32 evaluation that this policy has been included in the NPS-RE to specifically promote the development of wind or geothermal generation development over future hydro development. This inclusion fails to recognise that New Zealand does not have the luxury of choosing between plentiful renewable electricity generation projects waiting to be developed.

59. New Zealand does not have a multitude of pathways to achieve the targets laid out for us in the NZES and in a manner consistent with New Zealand's long term commitments under the Kyoto Protocol and at the same time providing for the security of New Zealand's electricity supply.
60. No other development under the RMA is subject to a specific test of reversibility. Such an inclusion in the proposed NPS-RE places renewable electricity generation projects at a significant disadvantage and promotes inconsistency between these projects and how other activities are dealt with under the RMA. For example a combined cycle gas turbine project or a new steel mill would not be required to be specifically assessed against such a test and as such could potentially expect a slightly lower hurdle to pass on the path to consent.
61. The requirement for a test of relative reversibility becomes meaningless when practicalities of specific projects are considered. It is difficult to imagine a wind farm application being assessed against the relative reversibility of hydro, marine or geothermal generation when wind farm projects are likely to be applied for near the coast or on high hills or ranges, where it is neither practical nor economic to store water or to drill for geothermal fluid. By the same logic a hydro proposal cannot be assessed relative to wind or marine because wind projects are not normally associated with valleys or gorges and until we are faced with some significant geomorphologic change such sites are not likely to be considered as marine energy projects.
62. In all cases the application will be to consent and construct a specific type of renewable electricity generation project and to consider its relative reversibility against other types of generation is meaningless, particularly when it is understood that the relative assessment will be will theoretical projects not the subject of the consideration or any assessment.

RELIEF SOUGHT

63. Mighty River Power seeks the **deletion** of Policy 3 from the NPS-RE.

POLICY 4 – ENABLING IDENTIFICATION OF RENEWABLE ELECTRICITY GENERATION POSSIBILITIES

64. Mighty River Power **supports in part** the inclusion of Policy 4 in the proposed NPS-RE. This policy requires local authorities to under take either a plan change, development of a new plan or a variation to a new plan to ensure that their Plans enable the identification and assessment by electricity generators of potential sites and energy sources for

renewable generation along with research investigations to be carried out.

65. Mighty River Power has concerns over the level of detail that local authorities may end up requiring for the identification and assessment of energy sources for renewable electricity generation. These concerns can be defined as follows:

65.1 A requirement for the identification and assessment of specific sites may lead to opposition for a proposed renewable electricity generation project which may not be established for a number of years, if at all.

65.2 The potential identification of a specific site may result in a property market anomaly as owners increase prices for the leasing of the land required which, in turn, has the potential to adversely affect the viability of a project.

RELIEF SOUGHT

66. Mighty River Power seeks the retention and amendment of Policy 4 so that it is made clear that the identification and assessment of potential sites does not require the exact sites to be identified and assessed.
67. This could be achieved by amending Policy 4 (i) to read “the use and development of energy sources for renewable electricity generation”, which would allow plans to be amended without the specific identification of sites.

POLICY 5 – SUPPORTING SMALL AND COMMUNITY-SCALE RENEWABLE ELECTRICITY GENERATION

68. Mighty River Power supports the inclusion of Policy 5 in the proposed NPS-RE. This support is based on the following reasons:
- 68.1 The Policy recognises the importance of allowing renewable electricity generation to occur at small and community levels.
- 68.2 The Policy provides for the development of renewable electricity resources at the local level.

RELIEF SOUGHT

69. Mighty River Power seeks the retention of Policy 5 in proposed NPS-RE in its current form or, if amendments are deemed to be necessary, in a form that realises the intent behind the Policy which is to support the

development of small and community-scale renewable electricity generation activities.

70. Mighty River Power does support raising the “small” size cut-off to 10MW as noted in response to the specific queries.

PROTECTION OF EXISTING RENEWABLE ELECTRICITY GENERATION CAPACITY

71. The most effective means of New Zealand achieving the long term targets of 90% renewable electricity generation by 2025 and security of supply is by ensuring that the existing renewable electricity generation capacity is provided for. This opportunity has been overlooked during the development of this NPS-RE and now is the appropriate time for this consideration and inclusion of policies to achieve this.
72. The current requirement is for replacement consents for existing renewable electricity generation plants to be assessed as if the existing plants are a new project is not appropriate. The process is extremely costly and places an unnecessary resourcing burden on owners, regulators and submitters. For example the re-consenting process for the Waikato Hydro System required assessment of the impacts of the existing renewable hydro generation system against a baseline of no consent being granted. This resulted in a cost of tens of millions of dollars, 4 years of preparation, and 3 years of hearing, appeal and negotiations, all for a system which by any logical assessment was not going to be denied consent.
73. If the Waikato Hydro System had failed to be granted a consent the resulting loss of generation capacity in the upper North Island would have rendered the New Zealand electricity system unable to supply demand until a replacement 1000MW of generation was consented, constructed and commissioned and it is not likely that this would have been renewable generation.
74. In such situations, if the existing plant has been operated in a responsible manner and within the requirements of the current consents such an onerous process is not justified. It is possible to develop a policy that provides for a controlled consenting process for such plant that allows for control to be exercised over the conditions impacting on the environment outside of the reasonable operation of the plant.
75. The proposed NPS-RE needs to contain a policy which allows for existing consented and operational renewable electricity generation plant to follow a controlled re-consenting pathway with control being

exercised only over the matters which can be changed in a way that does not impact on the plants ability to operate in an effective and efficient manner.

76. The inclusion of such a policy would result in greater surety of ongoing operation of the existing generation capacity as well as enhancing the security of electricity supplies for present and future generations.

RELIEF SOUGHT

77. Mighty River Power seek the incorporation of a new policy into the proposed NPS-RE that should allow for existing consented and operational renewable electricity generation plant to follow a controlled re consenting pathway with control being exercised only over the matters which can be changed in a way that does not impact on the plants ability to operate in an effective and efficient manner.

MATTERS FOR SUBMITTERS TO CONSIDER

Below are Mighty River Power’s comments on the “Matters for submitters to consider” queries in the Section 32 document:

<p>Policy 1 – Recognising the national significance of the benefits of renewable electricity generation activities</p> <p>The decision has been taken to focus Policy 1 on the three core benefits associated with renewable electricity generation. Submitters may wish to provide information to assist the Board of Inquiry to establish whether a wider list of benefits would further clarify the regulatory framework within which application are considered.</p>	<p>The decision taken to focus on the benefits outline is likely to result in an immediate benefit to consenting of renewable electricity generation projects as it does raise the status of the activity to being nationally significant. As noted in the Mighty River Power submission above consideration is required of potential changes in the gaining of replacement consents on expiry and how that process can practically be modified to better reflect the role ongoing renewable electricity generation plays in the New Zealand economy.</p>
<p>Policy 1 – Recognising the national significance of the benefits of renewable electricity generation activities</p> <p>Submitters may wish to provide information to help the Board of Inquiry clarify the effect that this</p>	<p>This policy will have the effect of requiring that all hearings for renewable electricity generation projects to have particular regard for the benefits broadly when making decisions. This will immediately broaden the consideration of the value</p>

<p>policy will have on the 'consentability' of renewable electricity generation projects.</p>	<p>of applications past the local impact consideration commonly dominating first order hearings.</p>
<p>Policy 2 – Acknowledging the practical constraints associated with the development, upgrading, maintenance and operation of new and existing renewable electricity generation activities</p> <p>Submitters may like to provide information to assist the Board of Inquiry to determine more accurately the potential consenting benefits and environmental costs of the proposed policy.</p>	<p>This policy clearly outlines the constraints on the development of renewable electricity generation and requires that these matters are given particular regard to in the decision making process. This policy will be considered along with other matters which are being dealt with by National Policy Statements, including the New Zealand Coastal Policy Statement. The policy will allow for consideration of these matters to be explicit but when read against the policies in the NZCPS may not realise the benefits possible when considered in isolation. The overall consenting impact will be positive but once the NZCPS review is finalised the playing field is likely to be further tilted against renewable electricity generation development.</p>
<p>Policy 3 – Having regard to the relative reversibility of adverse effects associated with particular generation types</p> <p>Submitters may like to provide information to assist the Board of Inquiry to determine more accurately the potential effect of this policy on the 'consentability' of hydro-generation proposals and/or security of electricity supply.</p>	<p>Comments on Policy 3 are covered in the Mighty River Power submission above.</p>
<p>Policy 4 – Enabling identification of renewable electricity generation possibilities</p> <p>Submitters may like to provide information that will assist the Board of Inquiry to more accurately evaluate the benefit that this policy will have for generators when compared with the costs associated with the local government processes required to</p>	<p>The costs of inclusion of this policy requirement on local government processes is likely to be negligible if authorities use the time available to include the policy changes as other reviews are processed. This policy could be strengthened by requiring that all changes to policy and plans from the commencement of the NPS-RE are not inconsistent with the intent</p>

<p>give effect to it.</p>	<p>of Policy 4 in order to avoid any moves to include policy which will constrain this policy before it is incorporated into local authority processes.</p>
<p>Policy 5 – Supporting small and community-scale renewable electricity generation Submitters may wish to provide information to assist the Board of Inquiry to determine the appropriateness of the proposed 4MW threshold. Other legislation has been amended to define small-scale generation as up to 10 MW installed capacity and legislative consistency is desirable where appropriate. In this regard, further information may aid consideration of whether a threshold of 10MW would be appropriate in this instance.</p>	<p>It would seem to make sense to increase the threshold of small-scale generation up to 10MW to be consistent with other legislation. This will avoid unnecessary future confusion and also serve to promote more embedded generation development resulting in greater value being able to be realised from this opportunity.</p>
<p>Policy 5 – Supporting small and community-scale renewable electricity generation Submitters may also wish to provide further information to enable the Board of Inquiry to more clearly establish the scale of effects that could be expected to be associated with a marine generation project of less than 4 MW installed capacity.</p>	<p>It is unclear why the decision has been made to exclude any offshore wind, tidal or wave generation. This exclusion means that any renewable electricity generation project which is off shore must be treated in the same manner no matter how large. This approach will serve only to put off development or assessment of this option for development of marine based renewable electricity generation. It is difficult to see the justification for this in a national policy statement which is aiming to enable development in order to allow New Zealand to achieve its accepted long term targets with respect to generation profile and security of supply of electricity to the economy.</p>



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Rob Hunter –Manager – Environmental Strategy and Policy

Date: 31 October, 2008
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