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31 October 2008

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Board of Inquiry, Proposed NPS for Renewable Electricity Generation
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Dear Melissa

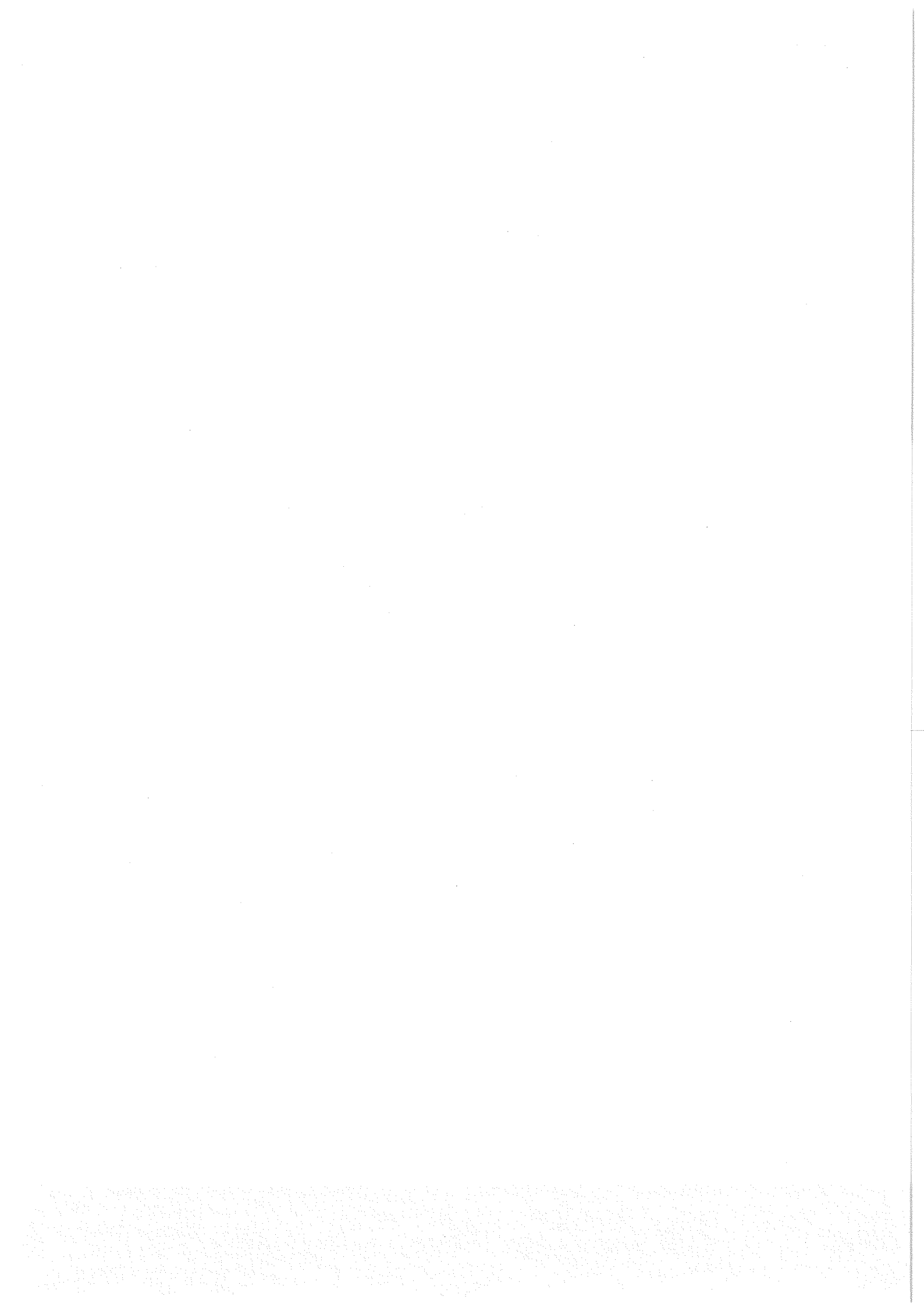
Submission on Proposed NPS: Renewable Electricity Generation

Please find Environment Waikato's submission to the above proposed National Policy Statement attached.

Yours faithfully

A handwritten signature in black ink, appearing to read "Blair Dickie", is written over a light grey circular stamp.

Blair Dickie
Programme Manager, Policy and Strategy Group



Submission:

File No: 22 11 23, 22 11 22

Date: 31 October 2008

To: The Chairperson: Board of Inquiry

From: Environment Waikato

Subject: **Proposed National Policy Statement (NPS) for Renewable Electricity Generation**

Introduction

Thank you for the opportunity to make this submission on proposed NPS for renewable electricity generation. Environment Waikato has contributed to the submission prepared by Local Government New Zealand.

The Ministry for the Environment are to be congratulated for the brevity of this policy statement. This submission generally supports the scope and intent of the NPS and makes suggestions for clarifications where Environment Waikato considers improvements in clarity can be made.

For the last year and a half, Environment Waikato has been working collaboratively with key interests in the energy industry, including, Electricity generators, grid and network operators, large energy intensive industries, transport interests, local and central government representatives, community groups, education, research institutes and iwi. The purpose of this multi stakeholder process is to develop an agreed Regional Energy Strategy that will guide the decision making of all operators in the Waikato region in relation to energy matters and to localise the national directions contained in the NZ Energy Strategy and the NZ Energy Efficiency and Conservation Strategy. The Regional Energy Strategy is now in draft form having been developed by a technical advisory group representing the above interests.

This submission from Environment Waikato reflects the knowledge gained from the close working relationship with the members of the Regional Energy Forum relating to renewable energy and our own depth of understanding relating to the range of natural resources found in the region.

Context

Environment Waikato considers that with this proposed NPS, New Zealand has missed an opportunity to consider the wider benefits of the direct use of energy from renewable sources. Environment Waikato understands the rationale for limiting the proposed NPS to electricity generation from renewable energy sources as identified in the accompanying s32 analysis. However, in some cases especially in relation to geothermal energy, the direct use of heat either industrially or domestically is considerably more efficient, and this may be compromised by this NPS through a perceived preference for electricity generation.

Objective

While it is appropriate to identify the national target of 90% electricity from renewable energy sources by 2025 for context, it is considered inappropriate to include this in a NPS under the Resource Management Act (1991). It is our submission that the objective should only relate to those outcomes that are able to be achieved through the mechanisms available under the

Act. The 90% target will require the combined efforts of a number of parties not only agencies responsible for exercising powers and functions under the RMA.

For this reason it is submitted that the reference to the 90% renewable electricity target by 2025 be removed from the objective and shifted to the preamble.

Policy 1

Environment Waikato supports the reference to all scales of generation as the cumulative benefits of many small scale projects can assist the national energy objectives.

Policy 2

Environment Waikato notes that this policy specifically refers to consent authorities. Environment Waikato supports the need for policy to address matters in subsections i, ii, iii & iv as it will take time for policy to 'tip the balance in favour of renewable energy projects'¹ to be developed through sub-ordinate policies and plans.

Environment Waikato also notes the wording mirrors s7 of the Act as it requires consent authorities to have 'particular regard' to the identified matters, and yet consent authorities are only required to have regard to a NPS under s104(1)(b)(i). Environment Waikato finds this confusing and seeks clarification to the wording.

Policy 3

Environment Waikato supports the intent of this policy, however, considers that the reference to 'technologies' may be confusing as similar technologies may have differing effects and differing degree of reversibility depending upon the location. Environment Waikato would advocate for the use of the term 'proposals'.

Policy 4

The substantive component of this policy reflects Environment Waikato's operative policy for the management of geothermal resources within the region. It extends it to other renewable resources that may be used for electricity generation. This is in keeping with the intent and direction of the Draft Waikato Regional Energy Strategy and is supported by Environment Waikato.

The proposed timing for linkage into local authority plans is in keeping with Environment Waikato's current policy development timelines, particularly the review of the Waikato Regional Policy Statement. We do note that this policy has two components, a substantive and a process part. Environment Waikato submits that it would be less confusing if these elements were separated into two policies.

Policy 5

In line with comments on Policy 4, Environment Waikato submits that the process component should be separated from the substantive policy component and that an additional Policy be developed to cover the expected timing of sub-ordinate RMA policy and plan documents. In both cases Environment Waikato recognises that for accessing renewable energy resources and for the development of community scale projects local matters relating to resource allocation and spatial planning will require reconciling and the requirement for a first schedule process is appropriate to address such issues.

The requirement to support small and community-scale renewable electricity generation is supported, but this will not have as much impact if there are barriers in place preventing the sale of electricity back through networks at times of excess generation. Addressing this aspect must be a priority of government as it will improve the chances of policy success.

¹ MfE 2008: Proposed National Policy Statement for Renewable Electricity Generation: Evaluation under section 32 of the Resource Management Act 1991; page 37

Other matters

Implementation

Environment Waikato notes the identification of \$260,000 of government costs in the preparation of non-statutory guidance and explanatory workshops to support the consistent interpretation and implementation of the proposed NPS. Environment Waikato strongly commends the government to commit to this initiative in the form of web based guidance as part of the QP Quality Planning website.

Interpretation

The term 'Renewable electricity generation' sacrifices clarity for the sake of brevity. Environment Waikato submits that a more meaningful term would be "Electricity generated from renewable sources" and submit the interpretation should be amended to reflect this alternative wording.

Conclusion

Environment Waikato supports the overall thrust of the proposed National Policy Statement for Renewable Electricity Generation, requests further consideration of some aspects, as indicated.

Environment Waikato welcomes the opportunity to make this submission and does wish to appear before the Board.

Yours faithfully



Robert Brodnax
Group Manager: Policy Group

