

**SUBMISSION ON PROPOSED REGIONAL LAND AND WATER PLAN UNDER
CLAUSE SIX OF THE FIRST SCHEDULE TO THE RESOURCE MANAGEMENT
ACT 1991**

To: West Coast Regional Council
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Meridian Energy Limited (Meridian) makes the general and specific submissions on the West Coast Proposed Regional Land and Water Plan (Proposed Plan) set out in the **attached** document.

Meridian would like to be heard in support of its submission

If other persons make a similar submission then Meridian would consider presenting joint evidence at the time of the hearing.



Jeff Page

For and behalf of Meridian Energy Limited

Dated this 15th day of October 2010

OUTLINE OF SUBMISSION

This submission has been structured under the following headings:

Part One: Overview and Background – Reasons for Submission

- Section A: Overview of Meridian;
- Section B: Renewable Energy
- Section C: Background and Reasons for Submission

Part Two: Specific Submissions

- General Submission
- Submission 1 – Section 3 – Land Management
- Submission 2 – Section 4 – Land and Riverbed Management
- Submission 3 – Section 6 – Natural and Human Use Values of Water
- Submission 4 – Section 7 – Surface Water Quantity
- Submission 5 – Section 8 – Surface Water Quality
- Submission 6 – Rules
- Submission 7 – Schedule 6

PART ONE: OVERVIEW AND BACKGROUND (REASONS FOR SUBMISSION)

SECTION A: OVERVIEW OF MERIDIAN

1. Meridian is a limited liability company wholly owned by the New Zealand Government. It is one of three companies formed from the split of the Electricity Corporation of New Zealand (ECNZ) on 1 April 1999.
2. Meridian's core business is the generation, marketing, trading and retailing of electricity and the management of associated assets and ancillary structures in New Zealand.
3. Meridian is the single largest generator of electricity in New Zealand. Meridian's hydro generation and storage capacity accounts for approximately 34% of New Zealand's electricity generating capacity and 77% of New Zealand's hydro storage capacity. Meridian is the largest wind farm developer in New Zealand. The company's asset base includes:
 - the Waitaki Power Scheme in the Waitaki Catchment,
 - the Manapouri Power Scheme in Fiordland;
 - the Te Apiti Wind Farm in the Manawatu;
 - the Brooklyn Wind Turbine in Wellington;
 - the White Hill Wind Farm in Southland;
 - the West Wind Wind Farm near Wellington, and
 - Te Uku Wind Farm near Raglan which is currently under construction.
4. Meridian has recently been granted consents for new wind, hydro and other developments including:
 - Project Hayes Wind Farm in Central Otago (directed by the High Court back to the Environment Court for consideration);
 - Project Central Wind near Waiouru;
 - Mill Creek Wind farm, near Wellington (under appeal);
 - Mokihinui Hydro Scheme in the Buller District (under appeal);
 - North Bank Tunnel Concept on the Lower Waitaki River; and
 - Hunter Downs Irrigation Scheme in North Otago (under appeal).
5. Meridian is also actively investigating and pursuing options for new renewable generation capacity and is investigating a number of sites that have potential for wind and hydro development. As part of its on-going business, Meridian is continually investigating options to improve and remove constraints from its asset portfolio to increase generation output and thereby continue to get more generation from, its current assets.
6. Meridian has a proven track record in the development and operation of energy projects both in New Zealand and overseas. This proven record in the development and operation of projects within sensitive areas includes the World Heritage listed Fiordland National Park (Manapouri Power Scheme), and an exemplary record of environmental compliance in new projects such as the Te Apiti wind farm. In all the projects it is involved in Meridian has adopted a "best

practice” philosophy. The Manapouri second tailrace project - New Zealand’s largest energy efficiency project to date - was completed to the highest environmental standards and was a finalist in the 2002 Financial Times Global Energy Awards.

SECTION B: ELECTRICITY GENERATION OVERVIEW

1. As well as being New Zealand’s largest generator of electricity, Meridian is also the country’s largest generator of renewable energy.
2. There is scope to develop renewables in many parts of New Zealand. This strengthens the system’s responsiveness and avoids concentration of risk. Dispersed development means that each region can make a contribution to a national system, one that is greater than the sum of all its parts.
3. New Zealand has a high intensity wind resource by international standards. Wind generation tends to have a lower capacity factor (meaning it produces less energy per installed megawatt) than hydro or thermal generation. However when wind farms are generating, hydro inflows can be held in storage. When wind generation is low, reserved hydro capacity can make up for the shortfall. Wind variability tends to be over a few days, while hydro storage varies over a longer timeframe (typically six months), so wind and hydro together make an excellent combination for a secure supply.

Electricity is a Necessity for Modern Life

4. The electricity system, from its generation to its local distribution, is critical infrastructure in the New Zealand economy. Over the past 120 years electricity has reshaped how New Zealanders live and work. Electricity has also become so central to day to day life that there are frequently no substitutes, yet its availability is often taken for granted. This is due to its unique advantages over other forms of energy, specifically:
 - flexibility – it can be transmitted over large distances instantly in the quantity required;
 - versatility – it can be converted into three major uses of energy: heat, light and motion power;
 - efficiency – it can be controlled and used with unparalleled precision; and
 - availability – it can be produced from a number of different sources.
5. As a result, reliable and cost-effective access to electricity is fundamental to the on-going growth of both New Zealand and its economy.
6. Demand for electricity has increased consistently over the past 20 years. Electricity consumption has increased since 1990 at an average growth rate of 2% per annum. While it is difficult to determine longer term trends in demand growth rates from observed trends, most analysts have assumed that demand growth would continue at around 1.3% to 2% per annum accepting that shorter term variations would occur. Although energy efficiency and conservation measures provide a contribution to reducing demand in the future,

they are not sufficient in themselves to meet anticipated future demand. This will require significant investment in new generation facilities. While a number of technologies are options for fulfilling supply demand, hydro, wind and geothermal are economic propositions now depending on site and the resource. Marine and solar are technologies of the future. Given the generation resources of the South Island, it is highly likely that new generation developed will be either hydro or wind based on the water resources (i.e. rivers in Canterbury or West Coast) and wind resources (in Southland and Otago).

7. Consistent electricity supply is also critical to the on-going operation of communication networks and other infrastructure, as well as the operation of banks, hospitals, schools and other public and private institutions that are the fabric of social, economic, and cultural wellbeing and the health and safety, of people and communities.
8. Given the above, it is important that New Zealand's electricity infrastructure and associated activities to establish, maintain and operate that infrastructure is recognised in regional and district planning document as being nationally significant and that undue constraints are not placed on the operation and maintenance of this infrastructure.

Renewable Energy and Government Policy

9. Electricity is vital to everyday life in New Zealand. It provides a critical contribution to the economy – it underpins and integrates the functioning of the New Zealand economy. Electricity has enabled economic growth throughout New Zealand and will continue to do so in the future. Reliability of supply of electricity is critical to economic growth and social well-being.
10. The New Zealand Government recognises that the electricity sector plays a critical role in underpinning the Government's growth and is vital to achieving its objective of sustainable economic development. The Government's Policy Statement on Electricity Governance (May 2009) emphasises that electricity is produced and delivered to all classes of consumers in an efficient, fair, reliable, and environmentally sustainable manner and promoting and facilitating the efficient use of electricity. In particular the Government Policy Statement highlights that sufficient generation capacity be built and that the efficient uptake of renewable generation be promoted.
11. The emissions trading scheme legislation is in force and will impose liabilities on electricity generators relying on fossil fuels. Such policies aim to reduce emissions and in doing so promote renewable energy generation.
12. The *New Zealand Energy Strategy* and the *New Zealand Energy Efficiency and Conservation Strategy* are currently under review. Drafts have been released for submissions in July 2010. The Draft Energy Strategy continues with the previous government's aspirational, but achievable, target that 90 per cent of electricity generation should be from renewable sources by 2025 (in an average hydrological year) providing this does not affect security of supply. The Draft Energy Strategy also continues with priorities to reduce energy-related

greenhouse gas emissions, with an economy-wide target for a 50 per cent reduction in New Zealand's carbon-equivalent net emissions, compared to 1990 levels, by 2050.

13. The government has not rescinded the previous government's NPS on electricity transmission nor stopped consideration of the proposed renewables NPS. The Board of Inquiry set up by the previous government to consider the proposed renewables NPS completed hearing submissions in August 2009 and has made its recommendations to the government. In particular the preamble to the NPS on Electricity Transmission notes that:
ongoing investment in the transmission network and significant upgrades are expected to be required to meet the demand for electricity and to meet the government's objective for a renewable energy future, therefore strategic planning to provide for transmission infrastructure is required.
14. The Policies attached to the proposed National Policy Statement for Renewable Energy (as notified) seek to:
 - Recognise the national significance of the benefits of renewable energy activities;
 - Acknowledge the practical constraints associated with the development, upgrading, maintenance and operation of new and existing renewable energy generation activities;
 - Having regard to the relative reversibility of adverse effects associated with particular generation types;
 - Enabling identification of renewable electricity generation possibilities; and
 - Supporting small and community scale renewable electricity generation.
15. Finally, for the status of renewable generation options, an even more important point is that the new government has shown no inclination to rescind ratification by New Zealand of the Kyoto Protocol and New Zealand has continued to participate in international discussions aimed at developing an agreement to take the place of the Kyoto Protocol from the beginning of 2013. The proposed action that the government took to the round of negotiations in Copenhagen in December 2009 was that, subject to securing a global agreement, New Zealand aim to reduce its greenhouse gas emissions to between 10% and 20% below their 1990 levels by 2020.
16. In addition to the Government initiatives outlined above, sections 7(i) and 7(j) of the RMA expressly require all persons exercising functions and powers under it to have particular regard to the effects of climate change and the benefits to be derived from the use and development of renewable energy. These include having particular regard to these matters in the preparation of regional and district planning documents).
17. Meridian submits that these matters should be carefully factored when reviewing Regional Plans as well as in preparing and determining plan changes.

SECTION C: REASONS FOR SUBMISSION

1. Meridian's interest in the West Coast Region primarily relates to the Mokihinui Hydro Proposal (MHP). The MHP would consist of the construction of a hydro dam and power station on the Mokihinui River situated 3km upstream of the township of Seddonville, in the Buller District. The hydro dam would create a 14km long and narrow lake reaching back 500m eastwards of Specimen Creek in the Mokihinui River Gorge. A proposed transmission line would traverse 29km southwards across the Stockton Plateau to a new substation to be located at Cedar Creek in the upper Wamangaroa Valley.
2. Consent to construct and operate the MHP was granted by the West Coast Regional Council and the Buller District Council in April 2010. This decision has been appealed to the Environment Court.
3. Meridian is also interested in the Proposed Regional Land and Water Plan with respect to future electricity generation resources. Hydro energy generation is a key issue and opportunity for the West Coast.

PART TWO: SUBMISSIONS – GENERAL AND SPECIFIC

SECTION A: GENERAL SUBMISSION ON THE PROPOSED PLAN

1. The West Coast Regional Council has notified a Proposed Land and Water Management Plan (Proposed Plan). The Proposed Plan is a result of the merging of three of the Council's existing regional plans. Meridian notes that the Council has prepared section 32 reports which relate to only those matters where additional (or new) text has been added (eg the Lake Brunner catchment provisions). Meridian has however consulted with the Council and they have confirmed that the entirety of the Proposed Plan is subject to the submission process. Meridian has prepared its submission on the Proposed Plan this basis.
2. Meridian generally **supports** the provisions within the Proposed Plan.
3. Meridian supports the effects based nature of the issues, objectives and policies of the Proposed Plan. Meridian submits that generally the objectives and policies within the Proposed Plan are reasonably balanced and take into account both human and natural use values of the land and water resources.
4. Meridian also generally supports the rule structure in the Proposed Plan.
5. It is appropriate that the Proposed Plan recognises in accordance with the Government's initiatives and policies the benefits that are to be derived from renewable energy generation. Meridian supports the retention of a discretionary activity status for the development of hydro schemes under the Proposed Plan.
6. Despite this general support for the Proposed Plan, Meridian has identified a number of provisions that could be improved to either achieve greater consistency with the purpose of the RMA, or to assist clarification and

implementation. Specific relief being sought by Meridian is outlined in the following section of this submission.

7. Meridian notes that Section 5 of the Proposed Plan which relates to wetland management is currently under appeal and subject to change by Environment Court decisions.

SECTION B: SPECIFIC SUBMISSIONS

Submission 1 – Section 3 Land Management

1. The specific provisions of Section 3 of the Proposed Plan that Meridian's submission relates to are as follows:

Objective 3.2.1

Policy 3.3.1

Policy 3.3.3

Policy 3.3.9

Policy 3.3.10

2. Objective 3.2.1 seeks to “*avoid or reduce adverse effects from land disturbance...*”. Meridian opposes this Objective in part on the basis that the wording of this objective is inconsistent with Part 2 of the RMA, in particular section 5(2)(c). It is evident from the explanation to Objective 3.2.1 that land disturbance activities are to be managed in such a way so that they avoid, or mitigate adverse effects on water quality. To avoid any potential confusion over its interpretation Meridian submits that Objective 3.2.1 should be amended so that it is consistent with the terminology in Section 5(2)(c) of the RMA.
3. Policy 3.3.1 seeks to manage the disturbance of land and vegetation in order to avoid, remedy or mitigate adverse effects on a variety of land and water values. Meridian supports this policy in part on the basis that it consistent with the language of the RMA, and is suitably balanced. The policy requires consideration of the effects of such activities on structures therefore taking into account existing uses and users.
4. Policy 3.3.3 relates to land disturbance within riparian margins. Meridian supports this policy in part. The terminology within the policy is similar to, but not entirely consistent with Part 2 of the RMA, in particular section 5(2)(c). The policy also seeks to ensure that existing public access to water bodies is maintained and enhanced. The use of the term ‘existing’ public access may be too limiting and not appropriate accommodate circumstances where existing public access opportunities are modified, such as a change in location but are not lost. Further, there may be circumstances such as during construction or for the operation of infrastructure or similar circumstances, that public access to water bodies and their margins will need to be restricted for safety purposes. The policy should be revised to reflect such occurrences.

5. Policy 3.3.9 seeks to promote land management being undertaken in accordance with industry best practice, so that among other matters the loss of sediment to water is avoided, remedied or mitigated. Meridian supports this Policy on the basis that it is appropriate to encourage activities to take place in accordance with industry best practice. This will ensure that suitable measures are in place to avoid, remedy or mitigate potential adverse effects arising from sediment runoff.
6. Policy 3.3.10 relates to riparian vegetation and seeks to encourage its retention, maintenance and planting. Meridian supports this Policy on the basis that it currently refers to the retention, maintenance and planting of appropriate riparian vegetation. The explanatory text attached to the Policy recognises that the retention and establishment of riparian vegetation is not always appropriate if it enables the introduction of pest plants, impedes public access, reduces the flood carrying capacity, or causes adverse effects on stability and performance of infrastructure. Meridian supports this.
7. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):
 - Amend Objective 3.2.1 as follows:
To avoid, remedy or mitigate ~~reduce~~—adverse effects from land disturbance so that the region’s water and soil resources are sustainably managed.
 - Amend Policy 3.3.3 as follows:
To avoid, remedy or mitigate, ~~manage~~ the disturbance of riparian margins to:...
 - (c) *Ensure that ~~existing~~ appropriate public access opportunities to water bodies ~~is~~ are maintained or enhanced except when it is necessary to protect public health and safety.*
 - Retain policies 3.3.1, 3.3.9 and 3.3.10 in their current form.
 - Any similar or consequential amendments to the Proposed Plan that stem from the submissions and general relief sought.

Submission 2 – Section 4 Land and Riverbed Management

1. The specific provisions of Section 4 of the Proposed Plan that Meridian’s submission relates to are as follows:

Objective 4.2.1

Policy 4.3.1

Policy 4.3.2

2. Objective 4.2.1 seeks to avoid, remedy or mitigate the adverse effect of structures and activities in and around lake and riverbeds. Meridian supports this Objective on the basis that it is generally consistent with the requirements inherent in Part 2 of the RMA.
3. Policy 4.3.1 seeks to provide for appropriate use and development in lakes and rivers and recognise the benefit to the community of maintaining existing structures and infrastructure. Meridian supports this policy in part as it is considered many activities including hydro development can be an appropriate use of a water resource. Meridian is concerned that “community benefit” may be interpreted as being limited to the benefits that are derived on a direct and local basis, rather on a regional and national scale. Meridian suggests that this policy be clarified to recognise the wider social and economic benefits that can be derived from the use of structures and infrastructure. The wider consideration of benefits is appropriate for all matters addressed in the policy.
4. Policy 4.3.2 seeks to manage activities within lake and riverbeds to ensure the activity does not cause or create significant adverse effects. Meridian recognises that it is important to ensure that activities do not, to the extent practicable, create significant adverse effects on the values that are listed within Policy 4.3.2. However, Meridian considers that bed disturbances and activities associated with structures may, in some circumstances, cause or contribute to adverse effects that can be remedied or mitigated to reduce their extent and severity. The current wording of the Policy is very much aligned with avoiding adverse effects, which is inconsistent with Section 5(2)(c) of the Act and may not be appropriate in all circumstances.
5. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):

- Retain Objective 4.2.1 in its current form.
- Amend Policy 4.3.1 to recognise the wider social and economic benefits on both individual and communities by maintaining existing structures and infrastructure.

To provide for appropriate use and development in lakes and rivers recognising the local, regional, and national benefit that can be derived from these resources and to recognise the social and economic benefits ~~to the community~~ of maintaining existing structures and infrastructure.

- Amend the explanatory text that accompanies Policy 4.3.1 to recognise that the development of a hydro scheme can be an appropriate use of the water resource.

There are ~~existing~~ structures located in the beds of West Coast lakes and rivers

...Reliable transport links, ~~and~~ network utility, and renewable energy infrastructure provides essential lifelines and social, economic and cultural benefits for the health, safety and wellbeing of individuals and communities

- Amend Policy 4.3.2 so that it enables an applicant to employ appropriate methods to avoid, remedy or mitigate the severity of potentially significant adverse effects.

To manage bed disturbance, reclamation, deposition, and the use, erection, extension, reconstruction, maintenance, alteration, demolition, or removal of structures in, on, under, or over the bed of any lake or river, so that ~~the activity does not cause or contribute to~~ appropriate methods are employed to avoid, remedy or mitigate significant adverse effects on:

- Any similar or consequential amendments to the Proposed Plan that stem from the submissions and general relief sought.

Submission 3 – Section 6 Natural and Human Use Values of Water

1. The specific provisions of Section 6 of the Proposed Plan that Meridian's submission relates to are as follows:

Objective 6.2.1

Objective 6.2.2

Objective 6.2.3

Policy 6.3.1

Policy 6.3.2

Policy 6.3.3

Policy 6.3.6

Policy 6.3.7

Policy 6.3.8

2. Meridian supports the overarching objective of 6.2.1 in that it seeks to provide for the sustainable use and development of water resources. This Objective recognises that there are both human and natural use values at play with respect to water resources and seeks that these are sustainably managed. This Objective is in general accordance with Part 2 of the RMA.
3. Objective 6.2.2 seeks to protect water bodies from inappropriate use and development by maintaining and where appropriate enhancing natural and amenity values including natural character and the life supporting capacity of aquatic ecosystems. The focus in the objective on inappropriate use and development is supported.
4. The explanatory text to Objectives 6.2.2 infers that these objectives are in place to protect, among other matters, the values listed in Schedules 5A of the Proposed Plan. As a matter of plan construction Meridian suggests that it may be beneficial to refer to these schedules within the objectives themselves. This

would ensure the values within these schedules are explicitly recognised and provided for when considering a proposal in terms of the relevant objectives of the Proposed Plan.

5. Objective 6.2.4 seeks to avoid the exacerbation of any natural hazard or the creation of a hazard associated with the West Coast's water bodies. Meridian opposes this policy in part. In many circumstances activities can be managed to avoid the exacerbation or the creation of a hazard. However Meridian submits that in certain situations it may be more appropriate to mitigate or remedy any actual or potential effects such as via the use of of erosion defence structures.
6. Policy 6.3.1 gives priority to avoiding adverse effects when considering activities involving water. It is Meridian's own policy to firstly avoid all potential and actual adverse effects, to the extent that this practicable, followed then by measures to remedy, mitigate or offset any residual adverse effects that cannot otherwise be avoided. On this basis Meridian supports in part the intent of Policy 6.3.1. Meridian submits that while avoidance may be the first priority, Policy 6.3.1 should not limit the ability to employ appropriate methods to remedy, mitigate or offset potential or actual adverse effects, particularly in situations where avoidance is not practicable. Moreover mitigation of effects may achieve a more sustainable outcome.
7. Policy 6.3.2 requires one to take into account the benefits from the use and development of renewable energy, including the social and economic benefits in resource management decision making. This Policy is strongly supported by Meridian. It is appropriate that the benefits to be derived from the use and development of renewable energy are recognised in the Proposed Plan as this is consistent with section 7(j) of the Act.
8. Policies 6.3.1 and 6.3.2 provide part the framework for considering sustainable use and development of the water resources of the West Coast it is important to recognise the locational constraints that exist in the development of renewable energy facilities. Such an approach is consistent with the Proposed National Policy Statement. A new policy addressing these matters is sought.
9. Policy 6.3.1 provides that adverse effects on "significant natural character" and "significant historic heritage" be avoided, remedied or mitigated. In addition Meridian notes that Policy 6.3.3 also requires that "natural character" and "historic heritage" (not provided for in Policy 6.3.1) be avoided, remedied or mitigated. Meridian submits that there is no apparent distinction between the purpose of the two policies and that the inclusion of natural character and historic heritage values in Policy 6.3.3 is an unnecessary duplication already adequately provided for by Policy 6.3.1.
10. Policy 6.3.6 sets out the matters that are to be considered when determining the effects of a proposal on natural character values. The matters listed in this policy are generally consistent with the accepted position used to define natural character. Meridian generally supports this policy, however considers a minor amendment is necessary to ensure it is consistent with Section 6(a) of the Resource Management Act which appropriately refers to inappropriate

activities. Policy 6.3.6(f) recognises that natural character values are not constant and are highly influenced by the human induced changes in the environment. The extent to which the natural character of an area has been altered by past and present human modification is a key consideration in evaluating the degree of natural character values. Meridian submits that this policy should generally be retained but with a minor amendment.

11. Policy 6.3.7 sets out the matters that are to be considered when determining effects of a proposal on amenity values of a water body. Meridian generally supports this policy.
12. Policy 6.3.8 seeks to provide activities that have a no more than minor adverse effect on water bodies to be a permitted activity. Meridian supports this Policy.
13. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):

- Retain Objective 6.2.1 in its current form.
- Retain Objective 6.2.2. In particular reference to inappropriate subdivision, use and development should be retained.
- Amend Objective 6.2.4 to avoid, remedy or mitigate effects on natural hazards or hazards within water bodies:

To avoid the exacerbation of any natural hazard or the creation of a hazard associated with the West Coast's water bodies. Where avoidance cannot be achieved a proactive response to managing natural hazards associated with the West Coast's water bodies is encouraged.

- Amend Policy 6.3.1 as follows below, to enable the appropriate mitigation to be employed where the first priority avoidance of adverse effects is not practicable.

In the management of any activity involving water to give priority to avoiding, where it is practicable to do so, ~~in preference then to remedying, or mitigating:~~

- *Adverse effects on...*
- Retain Policy 6.3.2 in its current form.
- Insert a new Policy into section 6.3 which recognises the practical constraints associated with the development of renewable energy generation activities:

In enabling the sustainable use and development of the water resource for renewable energy activities and other infrastructure activities to take into account the functional, operational and technical factors that constrain the location, layout and design of such activities.

- Amend Policy 6.3.3 to remove reference to natural character and historic heritage values, these matters are adequately provided for in Policy 6.3.1.

Other than the matters addressed in Policy 6.3.1 in the management of any activity involving water, to avoid, remedy or mitigate adverse effects on:...

- ~~(e) The natural character of wetlands, and lakes and rivers and their margins, not described in 6.3.1(1)(d);~~
- ~~(f) Historic heritage not described in 6.3.1(1)(h)~~

- Amend Policy 6.3.6 to.

6.3.6 To recognise ~~and provide~~ for the following features of water bodies when considering adverse effects on their natural character:.....

- Retain Policy 6.3.7 and Policy 6.3.8.
- Any similar or consequential amendments to the Proposed Plan that stem from the submissions and general relief sought.

Submission 4 – Section 7 Surface Water Quantity

1. The specific provisions of Section 7 of the Proposed Plan that Meridian's submission relates to are as follows:

Objective 7.2.2

Objective 7.2.5

Policy 7.3.1

Policy 7.3.2

Policy 7.3.3

Policy 7.3.5

Policy 7.3.6

Policy 7.3.8

2. Meridian supports the intent of Objective 7.2.2 which seeks to provide for the water needs of the West Coast's industries, network utility operators and community water supplies, but submits that hydro development is also a significant component of the West Coast's existing and future economy and is this too is dependent upon a water resource. Meridian submits that this objective should be broadened to recognise the significant importance of hydro electricity generation schemes.
3. Objective 7.2.5 seeks to avoid, remedy or mitigate any adverse effects of managed flows in rivers, or from fluctuating levels of controlled lakes. Meridian supports this objective.

4. Policies 7.3.1 – 7.3.3 relate to the setting of minimum flows. Meridian submits that minimum flows should not be set arbitrarily; rather they must be based on an assessment of the minimum flow that is required to sustain an aquatic ecosystem and other existing values and uses downstream of the take or activity. Meridian suggests that enabling minimum flows to be set on a case by case basis, taking into account instream values, and effects on existing users or uses is the appropriate approach. It notes that the setting of a minimum flow based on a case by case is provided for in Policy 7.3.3. On this basis Meridian submits that Policy 7.3.2 which arbitrarily requires a minimum flow based on 75% of the mean annual low flow to be applied as a condition of consent should be deleted.
5. Policy 7.3.5 seeks to suspend the taking of water when minimum flows have been reached. Meridian submits that electricity generation is an essential activity of national and regional importance, akin to other essential takes such as drinking water, and stock water purposes. There could be significant adverse effects if a take for hydro electric purposes was to be suspended. Meridian submits that this policy should be amended to exclude non consumptive takes or amend the explanation to state that water availability for hydro generation is of national importance and that water where possible should always be available for this purpose.
6. Policy 7.3.6 seeks to promote the efficient use of water and to consider the need to cap the overall allocation from any water body. Meridian supports this policy in part and submits that the capping of allocation should only relate to consumptive water takes. Furthermore Meridian considers that any “capping” of allocation can only be implemented if there is also a provision or means by which new users can gain access to water, such as the transfers of water allocations or permits. Meridian considers that the transfers of water allocations or permits on a catchment, either in part or whole, should be enabled as part of this Policy. This would be entirely consistent with water efficiency aims of the Proposed Plan and the RMA.
7. Policies 7.3.8 – 7.3.10 relate to the management of controlled flows and lake levels. Meridian generally supports the intention of these policies. As a hydroelectric generator, the management of controlled lakes and flows are significant to Meridian interests. Meridian submits that Policy 7.3.9 which seeks to avoid, remedy or mitigate adverse effects of controlled lakes should also recognise that lakes levels are to be controlled for the primary purpose in which they were created, which in many cases is for hydro electricity generation. In addition, Meridian notes that this policy refers to Policies 6.2.1 – 6.2.3, however these no longer exist in the Proposed Plan.
8. Policy 7.3.11 seeks to require, where necessary, desirable and practicable, provision for fish migration. Meridian supports this policy and agrees that a wide variety of methods should be considered and employed to assist fish migration where this migration is adversely effected by an activity.
9. Policy 7.3.13 relates to diversion activities and seeks that when considering such activities, priority will be given to avoiding, in preference to remedying or

mitigating, adverse effects on surface flows. Meridian opposes this policy on the basis that giving priority to avoiding adverse effects is inconsistent with section 5(2)(c) of the RMA, and may not be appropriate in all circumstances. Temporary diversions and associated effects are likely to be short lived and the instream values will usually recover quickly once the diversion is removed. Mitigation can be imposed to minimise any potential or actual adverse effects arising from a short term diversion. Long term or permanent diversions can be mitigated via appropriate controls on minimum flows and other factors as provided for in earlier policy requirements of the Proposed Plan.

10. Policy 7.3.14 relates to financial contributions. Meridian accepts that financial contributions, works or services, may be an appropriate offset to remedy or mitigate any unavoidable adverse effects of the taking, damming or diversion of water. However Meridian considers that any requirement for financial contributions can only be made on a case by case basis. Furthermore, Meridian suggests that the Council should be required to take into consideration the positive effects of the development, and the likely investment in its construction.
11. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):

- Amend Objective 7.2.2 to also provide for hydro electricity generation as follows:

To provide for the water needs of the West Coast's industries, network utility operators, ~~and community water supplies~~: and hydro electricity generation schemes.

- Retain Objective 7.2.5.
- Delete Policy 7.3.2, and amend Policy 7.3.3 as follows:

To consider granting an application for a resource consent to take water from a river, subject to a minimum flow ~~lower than that specified in Policy 7.3.2, that has been established~~ on a case by case basis, provided taking into account:...

- Amend Policy 7.3.5 to suspend the taking of water for consumptive uses only.

To suspend the taking of water for consumptive uses when minimum flows have been reached.

- Amend Policy 7.3.6 to ensure that the capping of allocation only applies to those takes that are consumptive, and to establish an effective policy regime that enables transfers to occur in accordance with section 136(2)(b) of the RMA:

To promote the efficient use of water and to consider the need to cap the overall consumptive allocation from any water body.

- Add a new policy or amend Policy 7.3.6 to promote the transferability of water permits as being consistent with efficiency aims of the Proposed Plan and the RMA.

To promote the appropriate transferability of water permits.

- Retain Policy 7.3.8 in its current form.
- Amend Policy 7.3.9 to recognise that controlled lakes are to be managed primarily for the purpose in which they were created, while avoiding, remedying or mitigating adverse effects as follows. The policy also needs to be amended to remove reference to incorrect policy references (Policies 6.2.1 -6.2.3):

To ~~limit the~~ ensure operating levels of any controlled lake are consistent with the purpose for which these operating levels were established and, where appropriate, to avoid, remedy or mitigate adverse effects on:..

- Retain Policy 7.3.11 in its current form.
- To delete Policy 7.3.13 or amend so that it is consistent with section 5(2)(c) of the Act:

When considering diversions associated with disturbance of riverbeds, ~~priority will be given to avoiding, in preference to remedying or mitigating,~~ adverse effects on surface flows are to be avoided, remedied or mitigated.

- Amend Policy 7.3.14 which relates to financial contributions as follows:

Financial contributions, works or services may be required to offset, remedy, or mitigate any unavoidable adverse effect of the taking, damming or diversion of water.

Explanation

The taking, damming or diversion of water can result in unavoidable adverse effects on the natural and human use values supported by a water body. Where such effects occur, financial contributions, works or services may be required as a condition of a resource consent to offset, remedy or mitigate the effects. A financial contribution may not be appropriate in every case, and on this basis every activity requiring a resource consent will be considered on a case by case basis as to the nature and extent of any contribution that may be required. When determining whether or not to impose a financial contribution, the type of contribution and its value, the West Coast Regional Council will have regard to:

- The size and extent of the activity for which consent is granted and that the contribution shall be in reasonable proportion to the

significance of any adverse effects caused or contributed to by the activity; and

- The extent to which any positive effects of the activity offset any adverse effects.

- Any similar or consequential amendments to the Proposed Plan that stem from the submissions and general relief sought.
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Submission 5 – Section 8 – Surface Water Quality

1. The specific provisions of Section 8 of the Proposed Plan that Meridian's submission relates to are as follows:

Policy 8.3.1

Policy 8.3.5

Policy 8.3.6

Policy 8.3.7

2. Policy 8.3.1 seeks to manage swimming areas (identified in the Proposed Plan) for contact recreation purposes, and all other surface water bodies in the region for aquatic ecosystem purposes (Class AE). Meridian opposes this policy. In certain circumstances the existing water quality of certain water bodies will not currently meet or be able to achieve the Class AE standards. It may also be inappropriate to manage all water bodies in the region for aquatic ecology purposes. For artificial water bodies, or those water bodies where there are competing natural and human use values it would be highly inappropriate to manage the water quality primarily for aquatic ecology purposes.
3. Meridian submits that a more appropriate approach for this policy would be to require the Council to undertake an assessment of each water body in the region and assign an appropriate water quality classification standard, taking into account its existing values and uses. The policy should require water bodies in the region to be managed in accordance with the scheduled water quality classifications. On this basis Meridian submits that Policy 8.3.1 be removed from the Proposed Plan and revisited once an appropriate water quality classification schedule has been developed by the Council.
4. Policy 8.3.5 sets out the matters that will be considered when determining consents to discharge contaminants to water. Meridian supports this policy on the basis that the matters listed enable a balanced assessment and decision making process to be undertaken.
5. Policy 8.3.6 relates to mixing zones for discharges of contaminants into water. Meridian supports this policy in part on the basis that it enables a mixing zone to be determined by taking into account contributing influences (eg other activities), the nature of the activity and the discharge (eg temporary duration, one off etc). The policy also takes into consideration the size and sensitivity of the receiving environment when establishing a mixing zone. Meridian submits

that this policy should however also specifically take into account variations and natural perturbations in the quality of the existing water when establishing an appropriate mixing zone.

6. Policy 8.3.7 relates to the duration of consent for the renewal of discharge consents based on compliance with water quality classifications. Given the above requirements set out in Policy 8.3.1 it is assumed that the water quality classifications relate to Class AE, although this is not directly specified in Policy 8.3.7. Meridian is concerned that the application of the Class AE water quality standard is inappropriate for all water bodies in the region and is not likely to be a reflection of the situation in reality. Meridian is also concerned with the narrow focus of this policy. It seems to apply to discharges which are continuous and does not adequately allow for activities occurring on an intermittent basis, for example drainage water from flood land, or sediment flushing activities associated with a hydro scheme. Meridian submits that this policy should be removed from the Proposed Plan. At the very least before establishing any guidelines for consent duration the Council should first establish an appropriate schedule of water quality classifications for each water body in the region. Applications to renew discharge consents and duration of consents should be managed on a case by case basis as is appropriate under the Resource Management Act. Discretion for consent duration cannot and should not be limited by a policy in a Regional Plan.

7. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):

- Delete Policy 8.3.1, or amend as follows:

The West Coast Regional Council will manage the swimming areas identified in Schedule 7 for contact recreation purposes (Class CR) ~~and all other surface water bodies in the region for aquatic ecosystem purposes (Class AE).~~

- Retain Policy 8.3.5 in its current form.
- Amend Policy 8.3.6 to take into account natural variation in water quality when determining an appropriate mixing zone as follows:

Mixing zones will be required for the discharge of contaminants to water. These will be limited to the extent necessary to take account of:

- (a) Water quality classes;*
- (b) The size and sensitivity of the receiving environment, including natural perturbations in the quality of the water;...*

- Delete Policy 8.3.7.
- Any similar or consequential amendments to the Proposed Plan that stem from the submissions and general relief sought.

Submission 6 - Rules

1. As mentioned above, Meridian generally supports the approach to the rules in the Proposed Plan. Meridian seeks that it be retained subject to the minor suggestions below.
2. Rule 2 relates to earthworks in riparian margins and provides for such work to be permitted, subject to compliance with a number of conditions. Condition (b) requires that the work does not result in a reduction of visual clarity in the receiving water by more than 40%. Meridian submits that a reduction of visual clarity of 40% would be difficult to detect, and suggests that a control of 50% would be more discernable. Meridian notes that a similar condition appears in a number of the rule provisions (e.g. Rule 6, 11). Meridian submits that this change should be applied to all relevant rules.
3. Rule 6 provides for earthworks for the purpose of maintenance or repair works for a number of land use activities. Meridian considers that this rule should be broadened to also include earthworks for the maintenance and repair of hydro electric generation activities including dams, substations, power stations and other ancillary activities. There is no reason to exclude earthworks associated with these activities if they can achieve the same permitted activity conditions.
4. In most circumstances where an activity cannot comply with the permitted activity thresholds, the activity will fall into a controlled or discretionary activity status. Meridian supports this rule structure and seeks that it be retained¹.
5. Rule 21 relates to the use, extension, alteration, maintenance, repair, reconstruction, removal, or demolition of structures in, on, under, or over any river or lake bed. It provides for such activities to be permitted subject to compliance with a number of conditions. Meridian generally supports the conditions listed, with the exception of (c)(i). Condition (c)(i) requires that any extension, alteration, maintenance, repair, reconstruction, removal or demolition does not result in the blocking or damming of any river, or impedance of fish passage. In some cases existing structures may already block or dam the river, and create impediments to fish passage. On this basis Meridian submits that this condition should be amended so that it only applies to circumstances where the activity results in a significant increase in the blocking or damming of a river, or creates further impediment to fish passage.
6. Rule 51 provides for the renewal of consents for existing hydro electricity generation schemes listed in Schedule 11 of the Proposed Plan as controlled activities. Meridian supports a controlled activity status to renew consents for existing hydro schemes as contained in Schedule 11 to the Plan. However, Meridian notes that this rule will impose unnecessary cost on future hydro developments as new schemes will require a plan change to update Schedule 11 to include for example MHP (if consented and constructed). Meridian

¹ This relates specifically to Rules 15, 16, 22, 23, 25, 27, 31, 33, 34, 36, 44, 45, 47, 57, 63, 68

suggests that this unnecessary cost is best avoided by amending Rule 51 so that it instead refers to “all lawfully consented hydro electric generation activities”. This is common language that can be legally defined at the point of interpretation, and affords greater flexibility to the Regional Plan without compromising the intention of the rule.

7. Rule 57 provides for ‘other hydro electricity activities’ not provided for by Rule 51 as a discretionary activity. Meridian supports the retention of Rule 57 as a discretionary activity status is appropriate for new hydro electricity developments. Meridian notes however that Rule 57 does not provide for the diversion of water associated with hydro electricity activities and seeks that this activity also be provided for.
8. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):

- Retain the rules and the activity status provided in the Plan subject to the changes identified below.
- Any rule which refers to a reduction of water clarity by 40% should be amended so that the condition refers to a 50% reduction in water clarity, including Rules 15, 16, 22, 23, 25, 27, 31, 33, 34, 36, 44, 45, 47, 57, 63, 68
- Amend Rule 6 to also provide for earthworks associated with the maintenance and repair of existing structures associated with hydro electricity generation activities (e.g. dam structures, power stations and substations) as follows:

Rule 6. Earthworks for the purpose of maintenance or repair

Earthworks for the purpose of maintaining, or repairing a road, track, railway line, landing, drilling pad, stand off pad, firebreak, structures and infrastructure associated with a hydro electric generation scheme or network utility line, building, pipe or cable is a permitted activity if all of the following conditions are met:

- Amend Rule 21, condition (c)(i) so that it only relates to works that create a significant increase in the blocking, or damming of a river, or greater impediment to fish passage than the existing situation:

(c) *The extension, alteration, maintenance, repair, reconstruction, removal or demolition does not result in:*

(i) *Further blocking or damming of any river, or impedance of fish passage to an extent greater than already exists;...*

- Delete Schedule 11 and amend Rule 51 as follows:

For the hydro-electricity operations that have been lawfully consented and established ~~identified in Schedule 11 of this Plan.~~

(a) *The damming of water for hydroelectric power generation purposes*

- (b) *The taking of water for hydroelectric power generation purposes*
- (c) *The use of water for hydroelectric power generation purposes*
- (d) *The discharge of water and trace contaminants to water for hydroelectric generation purposes*
- (e) *The diversion of water for hydroelectric generation purposes*

is a **controlled activity**.

...

Explanation

Rule 51 relates to the reconsenting of existing activities associated with lawfully consented and established hydroelectric power generation schemes. This rule recognises that certain dams identified in Schedule 44 have been lawfully established and operated responsibly for a number of years and the range of issues which require consideration by the Council is not as wide as for a new dam. It is not expected within the lifetime of this Plan that new consent for ~~these existing dams~~ an existing hydroelectric generation scheme would be declined, therefore a controlled activity status is appropriate and it provides certainty for the applicant.

The Department of Conservation has particular functions involving the preservation and protection of freshwater fisheries and freshwater fish habitat. Furthermore, many of the existing hydro schemes ~~listed in Schedule 44~~ in the Region are located on (in full or in part) or connected to, areas administered by the Department.

- Amend Rule 57 to also provide for new diversion activities as a discretionary activity associated with hydro electricity generation as follows:

Rule 57. Other hydroelectric activities

*Except as provided for by Rule 51, each of the following activities is a **discretionary activity** and will be considered under the following rules:*

- *The damming of water for hydroelectric power generation purposes – Rule 56*
- *The diversion of water for hydroelectric power generation purposes – Rule 55...*

- Any similar or consequential amendments to the Proposed Plan that stem from the submissions and general relief sought.

Submission 7 – Schedule 6: Sportsfish Habitats

8. The specific provisions of Schedule 6 of the Proposed Plan that Meridian's submission relates to are as follows:

Schedule 6 – Mokihinui River

9. The reference in Schedule 6 to the Mokihinui River should reference correctly reference the North Branch Mokihinui River as this is of national significance as a Sportsfish habitat.
10. On the basis of the above submissions, Meridian seeks the following relief from the Council (additions underlined and deleted text struck out):
- Mokihinui River (North Branch)

Typographical amendment to Meridian Energy's Submission

Submission 6 - Rules, Relief 8, Bullet 2.

Further to our discussion, I clarify that with respect to the following relief:

Any rule which refers to a reduction of water clarity by 40% should be amended so that the condition refers to a 50% reduction in water clarity,

this applies to:

- Rule 1
- Rule 2
- Rule 3
- Rule 4
- Rule 5
- Rule 6
- Rule 8
- Rule 11