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Dear Sir/Madam

**RE: SUBMISSION RELATING TO THE PROPOSED REGIONAL LAND AND WATER PLAN**

TrustPower Limited ("**TrustPower**") wish to thank the West Coast Regional Council for the opportunity to participate in responding to the Proposed Regional Land and Water Plan.

**TRUSTPOWER LIMITED**

- 1.2 Starting business in 1925, TrustPower has grown to be one of New Zealand's largest electricity generators and retailers. TrustPower now serves over a quarter of a million customers throughout New Zealand.
- 1.3 TrustPower generates electricity exclusively from renewable sources, either as hydro power from its stations in the Bay of Plenty, Taranaki, Marlborough, the West Coast, Canterbury and Otago, or from its commercial scale wind farm operation in the Tararua Mountain Range behind Palmerston North.
- 1.4 The electricity generated by TrustPower on the West Coast is embedded into the local network and produces enough electricity for approximately 40,000 homes.
- 1.5 TrustPower operates seven hydro generating stations in the West Coast Region, these are as follows:
  - Arnold River Power Station was commissioned in 1932 and has a rated capacity of 3MW;
  - Duffers Power Station was commissioned in 1928 and has a generation capacity of 500kW;

- Dillmans Power Station was commissioned in 1928 and has a generation capacity of 3.5MW;
- Kumara Power Station was commissioned in 1928 and has a generation capacity of 6.5MW;
- Kaniere Forks Power Station was first commissioned in 1909 and currently has a generation capacity of 430kW;
- McKays Creek was commissioned in 1931 and has a rated capacity of 1.1MW; and
- Wahapo Power Station was commissioned in 1960 and has a rated output of 3.1MW

These schemes play a vital role in ensuring the reliable supply of electricity to settlements of the West Coast Region. TrustPower also recently obtained consent for expanding the Arnold River Scheme to generate 46MW.

- 1.6 TrustPower considers that renewable energy generation facilities, such as Hydro Electric Power Stations and Wind Farms produce a number of positive effects, including:
- Renewable energy production which services both the local and national energy demands;
  - Increasing diversity of New Zealand energy supply streams, thereby improving system security;
  - Reducing the need for fossil fuels, thus improving New Zealand's climate change obligations; and
  - Employment (both during construction and on-going).

## **FRAMEWORK FOR RENEWABLE ENERGY**

- 2.1 The following commentary is considered necessary to provide some context for this submission.

### *New Zealand Energy Strategy and the New Zealand Energy Efficiency and Conservation Strategy*

- 2.2 The draft New Zealand Energy Strategy ("**NZES**") released in July 2010, targets the proportion of electricity generation obtained from renewable resources to 90 per cent by 2025, from around 73% in 2009. The NZES seeks to achieve a secure and sustainable energy supply through renewable energy sources, such as hydro-electric power schemes. Energy generation from such resources is considered to have positive benefits in reducing contributory causes of climate change in comparison to energy generating techniques that produces CO<sub>2</sub> emissions as a by-product.
- 2.3 The New Zealand Energy Efficiency and Conservation Strategy ("**NZEECS**") 2007 provides an action plan to help New Zealanders increase their uptake of energy efficiency and conservation methods and renewable energy. To achieve the target for renewable generation a high rate of investment in renewable resources is required, along with the lower utilisation and

eventual decommissioning of existing thermal plants. Hydro-electric power schemes are seen as consistent with the NZES and the NZEECS.

*The Proposed National Policy Statement on Renewable Electricity Generation*

2.4 The National Policy Statement on Renewable Energy Production (“**NPSREG**”) has been prepared by the Ministry for the Environment, recognising the national significance of renewable electricity generation by promoting the development, upgrading, maintenance and operation of new and existing generation activities. Once operative, the proposed NPSREG will have direct significance to the Regional Plan under section 66 of the RMA. In addition, section 55(2A)(a) of the RMA requires regional authorities to amend their planning documents to give effect to national policy statements.

*Resource Management Act 1991*

2.5 The demand side of electricity is predicted to undergo substantial increase, to meet both business and residential demands. On the supply side, the commitments made by the New Zealand Government to cap and ultimately decrease its carbon dioxide emissions over time (or conversely purchase carbon credits), places significant limitation on continued generation from non-renewable resources. It is important then, that the on-going operation, maintenance and (as appropriate) development of renewable electricity generation activities be given prominence in the processes that arise from the Resource Management Act 1991, and within, specifically in this instance, the West Coast Regional Land and Water Plan.

2.6 The purpose and principles of the RMA are set out in Part II (sections 5-8 inclusive). The Act is an enabling piece of legislation, in that its purpose recognises that people and communities obtain benefit from the use and development of natural and physical resources, and that these benefits contribute to the social, cultural and economic well being of people and their communities, and for both their health and safety (section 5).

2.7 The amendments introduced by the Resource Management Act (Energy and Climate Change) Amendment Act 2004 means that persons exercising a function and powers under the Resource Management Act are to have particular regard to:

- Section 7(i) The effects of climate change;
- Section 7(j) The benefits derived from the use and development of renewable energy

2.8 Section 6 of the Act requires any plan related intervention in relation to controlling the use, development and protection of natural and physical resources to have regard to a number of matters of national importance. Of specific relevance:

Section 6(b) requires consideration of:

*"The protection of outstanding natural features and landscape from inappropriate subdivision, use and development"*

Section 6(c) requires consideration of:

*"The protection of significant indigenous vegetation and significant habitats of indigenous fauna"*

- 2.9 A key consideration is that Section 6 matters (including s.6(b) and (c)) are subordinate to the primary purpose of the promotion of sustainable management.

### **PROVISIONS OF THE PROPOSED REGIONAL LAND AND WATER PLAN THAT OUR SUBMISSION RELATES TO**

- 3.1 TrustPower commends the West Coast Regional Council (hereby referred to as **"WCRC"**) on the Proposed Regional Land and Water Plan (**"the Plan"**), which is intended to provide an integrated framework for the management of the Region's water and land resources. The general provisions of the Plan that this submission addresses are:

- Natural and human use values of water - renewable energy
- Land management – earthworks and vegetation clearance

#### Renewable Energy

- 3.2 TrustPower is supportive of the policy and rule framework that recognises the importance of renewable energy for the Region. This includes Policy 6.3.2 that seeks to *"take into account the benefits from the use and development of renewable energy, including the social and economic benefits"*, and Rule 51 that provides for hydro-electricity operations as a controlled activity.
- 3.3 It is considered that this enabling framework provides certainty for the continued operation, maintenance and development of hydro-electricity schemes in the Region. Further, it is in keeping with the NZES, NZEECS, proposed NPSREG and the Section 7(i) and 7(j) of the RMA.
- 3.4 The continued operation of existing renewable energy generation, including re-consenting, associated modernisation and refurbishment works should continue to be provided for as a controlled activity. Therefore, TrustPower is supportive of these provisions in their current form.
- 3.5 Notwithstanding this, it is noted that Rule 57 states that any new hydro-electricity scheme is a fully discretionary activity. It is TrustPower's submission that "small and community scale distributed renewable energy generation" located within semi-modified natural features and landscape (as determined) should be treated as restricted discretionary, with the Council's discretion limited to such performance standards as landscape and ecological protection.

"Small and community scale distributed renewable electricity generation" is defined in the NSPREG as:

*"renewable electricity generation projects with an installed electricity generation capacity of less than four megawatts and excludes offshore wind, tidal and wave generation."*

3.6 Developments in more pristine environments could be considered as discretionary activities. It is considered that the determination of the status of a new hydro-electric scheme in a semi-modified environment as a fully discretionary activity would not be in accordance with the enabling function of the RMA to provide, and give effect to policy led initiatives incorporated within the NZES and NPSREG, as well as other explicit RMA Part II matters such as having regard to the benefits derived from the use and development of renewable energy.

3.7 Consequently, TrustPower submit that in recognition of the benefits of new and existing renewable energy generation, the status of hydro-electric schemes be as follows:

- Renewable generation facilities, above the 4MW generating capacity provided for in the NSPREG once operative, and within identified outstanding landscapes / significant habitats to be treated as a **discretionary activity**.
- "Small and community scale distributed renewable energy generation" facilities regardless of location to be treated as a **restricted discretionary activity**, with the Council's discretion limited to effects on landscape, terrestrial ecology, aquatic ecology, and water quality.
- The continued operation of existing renewable energy generation, including re-consenting, associated modernisation and refurbishment works, to be provided for as a **controlled activity**.

3.8 It is considered that this will ensure a clear vertical integration between the enabling policy framework for hydro-electric schemes and the rule package.

3.9 Therefore, it is respectfully suggested that the above rules be integrated within the proposed Plan through a revision of Rule 57. The resulting Rule could include text similar to the following example:

*Rule 57 Small and Community Scale distributed Hydro-electric activities*

*Except as provided by Rule 51, small and community scale distributed renewable energy generation facilities are a **restricted discretionary**, including:*

- (i) the damming of water for hydro electric purposes*
- (ii) the taking of water for hydro electric purposes*
- (iii) the discharge of water and trace contaminants to water for hydro electric purposes*
- (iv) the diversion of water for hydro electric purposes*

*Rule 58 Other Hydro-electric activities*

Except as provided by Rule 51 and 57, renewable generating facilities above 4MW generating capacity are a **discretionary activity** and will be considered under the following rules:

- (a) the damming of water for hydro electric purposes (Rule 56)
- (b) the taking of water for hydro electric purposes (Rule 54)
- (c) the discharge of water and trace contaminants to water for hydro electric purposes (Rule 69)

Earthworks and Vegetation Disturbance

3.10 Rule 6 provides for earthworks for the maintenance and repair of a "road, track, railway line, landing, drilling pad, stand off pad, firebreak, or network utility line, pipe or cable". It is noted that the definition of "network utility" does not include electricity generation and neither does Rule 6 incorporate reference to elements of a hydro-electricity power scheme. It is TrustPower's submission that these additional activities should be treated as permitted activities within Rule 6. The integration of these activities would ensure a greater vertical integration of the earthworks provisions with the enabling Policy for renewable energy (Policy 6.3.2).

3.11 Therefore, it is respectfully suggested that the above changes be integrated within the proposed Plan through a revision of Rule 6 and the definition of network utilities, resulting in text similar to the following example:

*"Rule 6*

*Earthworks for the purpose of maintaining or repairing a road, track, railway line, landing, drilling pad, stand off pad, firebreak, or network utility line, pipe, ~~or cable~~, water race or canal is a **permitted activity** if all of the following conditions are met: ..."*

and

***"Network utilities** includes telecommunication, electricity operation, ~~and~~ distribution and generation, water supply, drainage and sewage systems, roads, railways and airports."*

3.12 It is noted that where vegetation disturbance does not meet the standards outlined in Rule 7 and 8, the activity becomes discretionary under Rule 16. It is TrustPower's submission that vegetation disturbance and earthworks associated with "small and community scale distributed renewable energy generation", in riparian margins and areas outside riparian margins should be treated as controlled activities within 18.1.2 of the Plan.

3.13 Therefore, it is respectfully suggested that a new rule, Rule 12, is included within section 18.1.2, resulting in text similar to the following example:

*"Rule 12 Vegetation disturbance and earthworks not complying with Rules 7 and 8*

*Any vegetation disturbance and earthworks activities associated with small and community scale distributed renewable energy generation outside of a wetland identified in Schedule 1 that contravene Rules 7 and 8 of this Plan are **controlled activities**.*

The Council reserves control over the following:

- (a) location, design, surface area and timing of earthworks;
- (b) mitigation measures to address the effects of erosion, subsidence, sedimentation and increased surface runoff;
- (c) volume of earthworks and extent of area disturbed and rehabilitated at any time;
- (d) effects on water quality; and
- (e) effects on ecological values"

3.14 It is noted that Rule 19 sets a high threshold for vegetation disturbance within a Schedule 1 wetland, whereby any vegetation disturbance within a wetland identified in Schedule 1 of the Plan is a non-complying activity. A review of other South Island Regional Plans has established that similar activities, including changes to water take, earthworks and vegetation clearance in wetland areas varying from controlled to discretionary activities. It is noted that clearance for the "maintenance and/or minor upgrading by network utility operators" is not included in the definition of "vegetation disturbance". It is TrustPower's submission that "vegetation disturbance" associated with network utility operators, including municipal water takes and electricity generation, should be treated as discretionary activities, regardless of the scale of the activity, in recognition of the crucial role these activities have in providing for the health and well being of the community.

3.15 Therefore, TrustPower respectfully request that a new rule, Rule 18, is included within section 18.1.4, and the above change to the network utility definition, resulting in text similar to the following example:

*"Rule 18*

*Any vegetation disturbance within a wetland identified in Schedule 1 of this Plan for the purpose of providing for renewable hydro-electric generating facilities above 4WM generating capacity are a **discretionary activity**"*

## **SUMMARY**

4.1 In general, TrustPower supports the general direction of the Plan to provide certainty for resource management outcomes in the region, and respectfully requests the consideration of the proposed changes outlined in this letter.

Yours faithfully

**TrustPower Limited**



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Environmental Advisor

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