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REGIONAL COUNCIL

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Dear Sir/Madam

Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission

Thank you for the opportunity to provide a submission on 'Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission'. The West Coast Regional Council's (WCRC or the Council) submission is attached.

The Council consulted with their iwi partners, Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio (Poutini Ngāi Tahu or PNT), who are mana whenua on the West Coast/Tai Poutini, in the development of this submission.

Our contact details for service are:

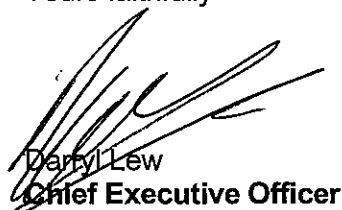
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We would be grateful for acknowledgement of receipt of our submission.

"I have read and acknowledge the Privacy Statement."

Yours faithfully



Daryl Lew
Chief Executive Officer

West Coast Regional Council Submission on Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission

Introduction

The West Coast Regional Council (the WCRC or the Council) appreciates the opportunity to submit on the Ministry of Business, Innovation and Employment (MBIE) and Ministry for the Environment (MfE) consultation under the Resource Management Act (RMA) on:

- i. A consultation document on 'Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission'; and
- ii. Copies of the existing Consultation drafts of the proposed replacement National Policy Statement for Renewable Electricity Generation (NPSREG) and National Policy Statement on Electricity Transmission (NPSET).

Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio (Poutini Ngāi Tahu – PNT) are mana whenua of Te Tai o Poutini (the West Coast). The WCRC's Mana Whakahono ā Rohe (Resource Management Act – Iwi Participation Arrangement) captures the intent of the WCRC and Poutini Ngāi Tahu to progress our relationship in accordance with the Treaty of Waitangi partnership between iwi and the Crown. Poutini Ngāi Tahu were invited to provide input into this submission.

Although the Consultation Document outlines proposed changes to the National Environmental Standards for Electricity Transmission Activities (NESETA), and proposals for a new National Environmental Standards for Renewable Electricity Generation (NES-REG), this submission does not comment on these proposed regulatory changes due to resourcing constraints and our high workload. The Council will consider these two NESs when the actual draft wording changes are consulted on later this year.

The Council also has not had time to respond to the questions in the Consultation Document. This submission covers the most important points for the WCRC.

Council supports most of the proposed changes to the NPSREG as they are sensible and reasonable; in particular, Objective 2.1, Policies 1, 6, and 8, and Part 3 Implementation Clauses 3.3, 3.5, 3.7, and 3.8. Likewise, most of the proposed changes to the NPSET are supported. However, Council has concerns about some of the proposed provisions which do not give sufficient recognition of the importance of regional or local renewable electricity generation (REG) and distribution.

In the preparation of this submission, the Council consulted with Manawa Energy, Westpower, Buller Electricity and New Zealand Energy who provide electricity generation and distribution on the West Coast. A number of their comments are incorporated into this submission.

Summary List of Feedback and Recommendations

Recommendation 1:

- a) Small and community scale distributed generation must be enabled and will make an important contribution to reaching renewable targets. The definitions in the proposed NPSREG must be changed to enable small and community-scale generation to share supply with neighbours, and to export excess electricity further afield, both within and outside the West Coast Region.

- b) The respective government sections and departments talk to each other and review the Waitaha decision in light of the strengthened focus on renewable electricity generation to meet 'net zero' targets.
- c) Retain the existing NPSREG definitions of "small and community-scale distributed electricity generation".

Recommendation 2:

Promote and provide enabling policy and regulations for micro and small-scale geothermal development generation and transmission on the West Coast (South Island).

Recommendation 3:

Policy and enabling investment provisions in upgrading and repowering existing REG infrastructure in the NPSREG should apply to a wider range of renewable energy sources to ensure that regions where onshore wind or solar generation at industrial scale are not as suitable, such as the West Coast, will not be left behind.

Recommendation 4:

Add the word "outstanding" to proposed NPSREG Interpretation Clause 1.3 (1) (a), and proposed NPSET Interpretation Clause 1.3 (1) (a), so that the definition of "areas with significant environmental values" refers to "areas with outstanding natural character in the coastal environment."

Feedback 1:

Amend sections 275 and 276 of the Natural and Built Environments Bill to provide for small, existing and new hydroelectricity schemes on the West Coast, such as those in remote rural West Coast areas like Haast and Inchbonnie, and for community hydroelectricity schemes to have at least 50-year consents, rather than for 10 years.

Recommendation 5:

- a) In the proposed NPSREG, add a new clause (b) to Policy 2 so that Policy 2(b) reads to "recognise and provide for the regional and local importance of REG" (and adjust subsequent numbering accordingly).
- b) Add the same textual provision, "Recognise and provide for the regional and local importance of REG" to the proposed NPSREG clause 3.2 (1) (1) (b) (and adjust the subsequent numbering accordingly).
- c) Make parallel changes to Policy 2(b) of the proposed NPSET so that Policy 2(b) reads to "recognise and provide for the regional and local significance of the electricity transmission network".
- d) Make parallel changes to the proposed NPSET clause 3.2 (1) (1) (b) to also "recognise and provide for the regional and local significance of the electricity transmission network".

Recommendation 6:

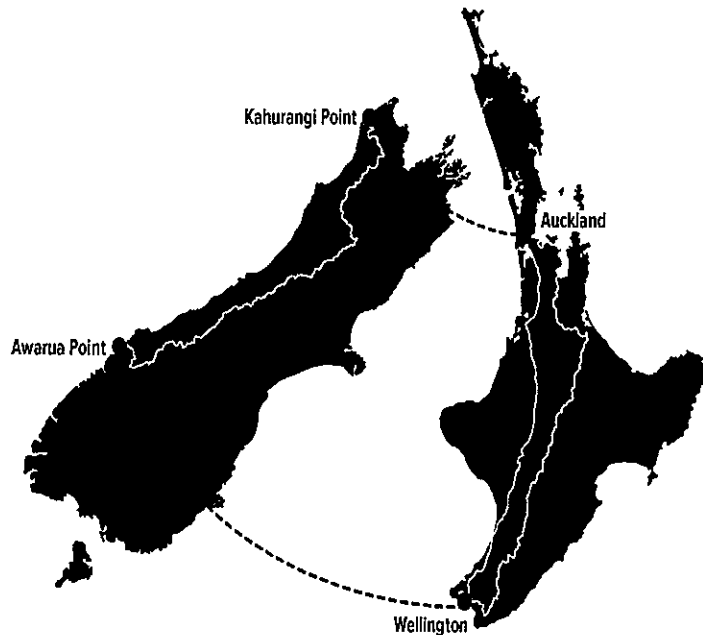
Remove proposed NPSET Policy 8, and the part of Implementation clause 3.6 (1) that refers to regional councils facilitating "long-term planning for investment in ETN assets" from the draft NPSET; and amend proposed Implementation clause 3.6 (1) to read: "Regional councils must include objectives, policies, and methods in Regional Policy Statements (RPSs) and regional plans to integrate providing for the electricity transmission network with other land uses in long-term planning".

Recommendation 7:

Remove Clauses 1.4, which set up hierarchies between national policy instruments, from the proposed NPSREG and NPSET. Council needs to assess and make provisions for both renewable energy and protecting indigenous biodiversity on a case-by-case basis.

About the Submitter

The West Coast Regional Council (WCRC) is the local authority for a region covering a vast area with a sparse population. The distance from Kahurangi Point in the north to Awarua Point in the south is the approximate distance from Auckland to Wellington.



The West Coast region stretches the equivalent distance of that between Auckland and Wellington

Figure 1: Map of New Zealand to highlight the 600km length of the West Coast Region compared to the distance between Auckland and Wellington.

The West Coast Regional Council works closely with the regions' three territorial authorities (the Buller, Grey, and Westland District Councils). The main towns are Westport, Greymouth, Reefton, and Hokitika. The region's relatively low population of approximately 32,600 is spread across small towns, settlements, and rural communities.

Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio (of Poutini Ngāi Tahu – PNT) are mana whenua of Te Tai o Poutini (the West Coast). The 'Paetae Kotahitanga ki Te Tai Poutini Partnership Protocol, Whakahono ā Rohe Resource Management Act Iwi Participation Agreement; A Protocol and Arrangement between Te Rūnanga o Ngāti Waewae, Te Rūnanga o Makaawhio, Te Rūnanga o Ngāi Tahu and the West Coast Regional Council of October 2020' captures the intent of WCRC and its partners to progress our relationship in accordance with the Treaty of Waitangi partnership between iwi and the Crown.

The West Coast is predominantly rural.

The Conservation Estate comprises 84.17% of the West Coast land area, with an additional 1.55% administered by Land Information New Zealand (LINZ). This leaves 14.28% of land available for private ownership. The land in the Conservation estate and Crown ownership is not rateable by local authorities.

As to the structure of the West Coast Region's Economy, and according to Infometrics 'Filled jobs by 54 industry categories list', the percentage contribution of various sectors to the regional economy, as at 2022, was:

- Health Care and Social Assistance - 11.1%;
- Accommodation and Food Services - 9%;
- Dairy-Cattle-Farming - 6.1% (and-dairy-product-manufacturing-3%);
- Education and Training - 6.1%; and
- Construction Services - 4.4%.¹

Infometrics 'Contribution to employment by broad sector, 2022' data shows the following sectors contribution to the West Coast Region's economy:

- 'Other services' accounted for 40%;
- 'High value services' 23.2%;
- 'Goods-producing industries' 22.1%; and
- 'Primary industries' made a 14.8% contribution.

Submission Points

Better provisions for small and community-scale electricity generation

Council strongly opposes the proposed restrictions on 'small and community-scale distributed electricity generation' in the proposed NPSREG. The new definitions of 'small scale' renewable electricity generation (REG) and 'community scale' REG limit the use of the electricity generated to only within local communities, or for residential or commercial use at an individual site or landholding level. The proposed new wording will limit opportunity for West Coast small and community-scale renewable electricity generation to connect into the National Grid and local distribution network. Micro-grid solutions for households, farming collectives, and local communities could be curbed, including micro-hydro and micro-geothermal generation. Small or community scale networks may need to access the National Grid; a neighbour's supply; or the distribution network.

There are a number of micro and small-scale hydro electricity generation activities in the West Coast Region supplying rural households and farm activities with electricity. The Region has ideal geographic features for more hydro-electricity generation with plenty of waterways and slopes. The proposed new definitions will have a potential negative economic and social impact on West Coast small, rural communities who have increased costs to meet freshwater and other regulations.

By limiting renewable electricity use to only within local communities where it is generated, or for residential or commercial use at an individual site or landholding level, the proposed new wording is likely to reduce opportunities for sharing supply with neighbours; electricity 'exports' to 'neighbours'; electricity 'exports' from the West Coast to other regions; and for small and community-scale renewable electricity generation to connect into the National Grid when it is accessible to them. As the National Grid does not extend to remote communities south of Hokitika, it is likely that many community and small generation schemes would have to connect into the local distribution network. Council staff understand that Transpower does not intend to extend or increase their transmission capacity or resilience on the West Coast.²

¹ Structure of West Coast Region's Economy; Source Infometrics at <https://ecoprofile.infometrics.co.nz/West%20Coast%20Region/Employment/Structure>, last viewed 15 May 2023.

² Reference: Email from Mark Blandford, General Manager Network, Westpower, to WCRC, 17 May 2023.

Central government decisions with respect to energy security and developing renewable energy have already had negative implications for small and community-scale hydro generation on the West Coast. Declining the proposed Waitaha hydro-electricity scheme on the basis of valuing extreme recreational kayaking pursuits for a very small number of recreational users above 'energy security and net zero' illustrates curbing security of electricity supply to local communities such as those in South Westland. This central government decision also restricts the opportunity for the West Coast to contribute to meeting the government's target for 50% of total energy consumption to come from renewable sources by 2035, and its target of 100% renewable electricity by 2030. The West Coast region may not be a large contributor to national renewable energy targets, but the obligations are still applicable.

Council strongly opposes central government's decision to value access for a few recreational tourists to kayak the remote Waitaha River on the West Coast over and above delivering a clean, affordable, and stable energy supply for local communities. Local communities need to be assured of energy security in times of natural disasters, such as earthquakes and fault ruptures; and this direction should take priority over recreation. Although the Waitaha River decision is a separate matter to the proposed changes to the electricity NPSs, the Council seeks that the respective government sections and departments talk to each other and review the Waitaha decision in light of the strengthened focus on renewable electricity generation to meet 'net zero' targets.

Furthermore, curbing small and community-scale hydro-electricity development on the West Coast is inconsistent with the existing and proposed NPSREG. By potentially excluding small and community-scale generation from being able to share electricity with their neighbours, use local distribution networks, or distribute or sell their electricity outside the Region, the proposed NPSREG definitions reduce the ability to meet NPSREG Objective 2.1. They are also inconsistent with the proposed new Policies 2 and 6, and the proposed Part 3 Implementation Clause 3.8 (2) (g).

The Council supports retaining the existing NPSREG definitions of "small and community-scale distributed electricity generation". Small-scale hydro generation must be promoted as it benefits local security of supply; energy and community resilience; the reduction and displacement of Greenhouse Gas emissions; and provides for economic, social, and cultural well-being of people and communities.

Recommendation 1:

- a) Small and community scale distributed generation must be enabled and will make an important contribution to reaching renewable targets. The definitions in the proposed NPSREG must be changed to enable small and community-scale generation to share supply with neighbours, and to also export excess electricity further afield, both within and outside the West Coast Region.
- b) The respective government sections and departments talk to each other and review the Waitaha decision in light of the strengthened focus on renewable electricity generation to meet 'net zero' targets.
- c) Retain the existing NPSREG definitions of "small and community-scale distributed electricity generation".

Provide for geothermal generation and transmission

In addition to hydro, the West Coast Regional Council has also identified several geothermal areas in the Region that have the potential for geothermal energy development due to their high-temperature gradients. For example, there may be potential and feasibility for enabling developments throughout the Grey Valley and Central Westland; in the vicinity of the Taramakau River and near Punakaiki; Ahaura River; Buller River; Copland River; Haast; Haupiri, Lake Brunner; Inangahua area; Kokatahi River Spring; Maruia River hot springs; Mungo River (Brunswick Springs); Taipo River; Toaroha River (Cedar Flats) Springs; Waitaha River Hot Springs; and Wanganui River springs; amongst other.

The existing Maruia Hot Springs and resort utilises geothermal waters near the Lewis Pass as a commercial activity. This is a low impact use of geothermal resources which has operated for decades.

According to a report by leading scientists in the Otago Daily Times, geothermal conditions at a site in Whataroa are comparable to those in major volcanic centres like Taupō.³ Geothermal energy is a significant opportunity in the renewable energy space for the West Coast.

Recommendation 2:

Promote and provide enabling policy and regulations for micro and small-scale geothermal development generation and transmission on the West Coast (South Island).

Include other energy generation sources in the NPSREG

Enabling investment in upgrading and repowering existing industrial 'onshore' wind and solar generation at scale is a new focus for central government but may overlook the energy mix and energy portfolio potential and opportunities for the West Coast, for example, in harnessing hydroelectricity; geothermal; biomass (for process heat); hydrogen; batteries; heatwaves; and tidal, wave and ocean current resources. Areas on the West Coast are not going to benefit from the proposed industrial-scale development of onshore solar or wind anytime soon.

Electricity can be developed from both biogas and biomethane for individual farms and neighbours, and at scale (through partnerships between industrial processing, energy and agricultural industries). These developments also fit well with the concept of the circular economy whereby organic wastes are transformed into high-value products; and could contribute to emissions reductions.

Recommendation 3:

Policy and enabling investment provisions in upgrading and repowering existing REG infrastructure in the NPSREG should apply to a wider range of renewable energy sources to ensure that regions where onshore wind or solar generation at industrial scale are not as suitable, such as the West Coast, will not be left behind.

³ Elder, Vaughan; Geothermal discovery on West Coast; Otago Daily Times; 18 May 2017. <https://www.odt.co.nz/regions/west-coast/geothermal-discovery-west-coast> (last viewed 15 May 2023).

Consistent terms with other national policies

Proposed NPSREG Interpretation Clause 1.3 (1) (a), and proposed NPSET Interpretation Clause 1.3 (1) (a), define “areas with significant environmental values” to include “areas with natural character in the coastal environment”. Both clauses need amending to refer to “areas with outstanding natural character in the coastal environment.” Excluding the word “outstanding” in clause 1.3 (1) (a) is inconsistent with the NZ Coastal Policy Statement Policy 13 (1) (a), ‘Preservation of Natural Character’, which refers to avoiding “adverse effects of activities on outstanding natural character in areas of the coastal environment”.

Recommendation 4:

Add the word “outstanding” to proposed NPSREG Interpretation Clause 1.3 (1) (a), and proposed NPSET Interpretation Clause 1.3 (1) (a), so that the definition of “areas with significant environmental values” refers to “areas with outstanding natural character in the coastal environment.”

Concern re reduced consent durations for small-scale generation schemes

Although the new proposed NPSREG and NPSET do not specify timeframes for consent duration, the Council is concerned about the possibility of shorter durations for consents for small-scale and community-scale hydroelectricity schemes. These small-scale activities have a relatively small environmental impact, and where consent is needed, it is commonly granted for 35 years. A shorter consent period of 10 years for existing and new local REG and distribution infrastructure (excluding the National Grid), as proposed in sections 275 and 276 of the Natural and Built Environments Bill, would restrict trade and make hydro electricity generation and distribution unviable on the West Coast by putting up barriers to investment, especially if the asset life is 50 to 100 years. Certainty of being able to provide water and revenue for only 10 years would make small scale and community scale hydro unfeasible.

Feedback 1:

Amend sections 275 and 276 of the Natural and Built Environments Bill to provide for small, existing and new hydroelectricity schemes on the West Coast, such as those in remote rural West Coast areas like Haast and Inchbonnie, and community hydroelectricity schemes to have at least 50-year consents, rather than 10 years.

Greater recognition needed of importance of regional and local generation and transmission

The Council is concerned that there is insufficient recognition in the proposed NPSREG Policy 2 (Planning Decisions), and proposed NPSREG Clause 3.2 (1) (Consideration of national significance and benefits of renewable electricity generation), of the regional and local importance of renewable electricity generation and transmission. There are several community-scale hydro and other electricity generation activities in Westland and South Westland which provide a critical electricity supply to remote communities that are not supplied by the National Grid.

Council acknowledges the national significance of REG, but the NPS must also acknowledge the vital role of regional and local REG to provide for local wellbeing. The changes recommended below are consistent with the proposed NPSREG’s Objective 2.1, Policy 1, and Policy 6. Council has similar concerns with respect to the NPSET and recommends parallel changes.

Recommendation 5:

- a) In the proposed NPSREG, add a new clause (b) to Policy 2 so that Policy 2(b) reads to “recognise and provide for the regional and local importance of REG” (and adjust subsequent numbering accordingly).
- b) Add the same textual provision, “Recognise and provide for the regional and local importance of REG” to the proposed NPSREG clause 3.2 (1)-(1)-(b) (and adjust the subsequent numbering accordingly).
- c) Make parallel changes to Policy 2(b) of the proposed NPSET so that Policy 2(b) reads to “recognise and provide for the regional and local significance of the electricity transmission network”.
- d) Make parallel changes to the proposed NPSET clause 3.2 (1) (1) (b) to also “recognise and provide for the regional and local significance of the electricity transmission network”.

Uncertainty around “facilitating long-term planning for investment”

The Council is unclear as to what the intent is of the proposed NPSET Policy 8, and proposed NPSET Implementation clause 3.6 (1), which give regional councils the role of facilitating “long-term planning for investment in ETN [Electricity Transmission Network] assets of the electricity transmission network.” The Consultation Document provides no clear explanation of what this means. Council understands that the current NPSET Policy 14 provides, “Regional councils must include objectives, policies and methods to facilitate long-term planning for investment in transmission infrastructure and its integration with land uses”. Given the uncertainty of what will be involved for the WCRC in implementing the new provisions, including costs and resourcing, the Council cannot support them, and they should therefore be removed from the NPSET, and amended to be more in line with council’s functions.

Recommendation 6:

Remove proposed NPSET Policy 8, and the part of Implementation clause 3.6 (1) that refers to regional councils facilitating “long-term planning for investment in ETN assets” from the draft NPSET; and amend proposed implementation clause 3.6 (1) to read: “Regional councils must include objectives, policies, and methods in Regional Policy Statements (RPSs) and regional plans to integrate providing for the electricity transmission network with other land uses in long-term planning”.

No hierarchy between National Policy Instruments

Council does not support Clause 1.4 in the proposed NPSREG, which states in relation to hydroelectricity generation assets, that where conflict occurs the NPS Freshwater Management (NPSFM), and New Zealand Coastal Policy Statement (NZCPS), prevail over the NPSREG. Clause 1.4 of the proposed NPSET makes a similar provision but only in relation to the NZCPS.

Council is concerned that Clauses 1.4 are blanket provisions which do not allow for the assessment of effects on a case-by-case basis; or consideration of the effects management hierarchy, including offsetting options so that provision can be made for both renewable energy and protecting indigenous biodiversity. Such assessments need to be provided for in the West Coast Region where local generation and distribution (especially hydroelectricity) is critical for small remote communities not serviced by the National Grid. There is also a lot of indigenous biodiversity on the West Coast compared to other regions, which increases the chance of a proposed small or community-scale renewable electricity activity being located in or near indigenous species or habitat.

Recommendation 7:

Remove Clauses 1.4, which set up hierarchies between national policy instruments, from the proposed NPSREG and NPSET. Council needs to assess and make provisions for both renewable energy and protecting indigenous biodiversity on a case-by-case basis.

This ends our submission.