Strengthening national direction on renewable electricity generation and electricity transmission

APRIL 2023

CONSULTATION DOCUMENT

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Ministry for the Environment
Manatū Mō Te Taiao

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Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

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Message from the Ministers

Climate change is the most significant environmental challenge of our time and is intrinsically linked to our communities present and future wellbeing. Global temperatures are forecasted to rise more than 1.5°C above pre-industrial levels, increasing the risk of extreme weather events and irreversible consequences which come with them. If we are to stop this crisis, Aotearoa New Zealand needs to transition to a low emissions economy.

This transition presents countless opportunities for New Zealanders. Our communities would benefit from a growing economy by driving innovation in clean energy, creating new jobs, reducing our reliance on international fuel markets, and ultimately building a fairer, more resilient, and more sustainable tomorrow.

Investment in renewable energy such as geothermal, wind and solar, and a growing use of new technologies like bioenergy, offshore wind, hydrogen and pumped hydro, will ensure that our energy needs will progressively be met. The proposals in this consultation document aim to better enable investment in some of these technologies to help us realise the full potential of renewables in Aotearoa.

Meeting our emissions targets will require a major and efficient expansion of renewable electricity resources and infrastructure. New Zealand is very lucky to have access to significant renewable energy sources, and we are well positioned to transition to 100 per cent renewable energy generation, but we need to ensure we are removing any barriers standing in the way.

As part of our 2020 manifesto commitment, this Government identified that existing national direction for renewable electricity generation and electricity transmission are no longer fit for purpose. To achieve the pace of development required, national direction needs to be readdressed to provide greater clarity to the sector.

These proposals promote the sustainable management of natural and physical resources by helping to mitigate climate change and the known adverse impacts this is having on our communities. The proposals aim to provide clear direction that meeting our international emissions reduction commitments and limiting global temperature rises will require a significant expansion of renewable electricity generation.

The discussion document presents options for how the Government can provide greater direction to councils and the nuances of how to navigate the interactions between section 6 and 7 of the Resource Management Act (1991). Presently, there is a lack of clarity with how matters of national significance interact.

We look forward to receiving feedback from Māori, local government, the renewable electricity sector, and other New Zealanders to ensure the proposed changes will work to support greater development of renewable generation.

Hon Dr Megan Woods

Minister of Energy and Resources

Hon David Parker

Minister for the Environment

How to have your say

Timeframes

This consultation starts on 20 April and ends on 1 June 2023.

How to make a submission

The Government welcomes your feedback on this consultation document. The questions in this document are a guide only. You do not have to answer all the questions, and all comments are welcome.

To ensure others clearly understand your point of view, you should explain the reasons for your views and give supporting evidence if needed.

You can make a submission in two ways:

1. Use our online submission tool, available at https://www.research.net/r/ElectricityRMAConsultation. This is our preferred way to receive submissions.

2. Write your own submission.

When writing your own submission, please state "I have read and acknowledge the Privacy Statement." (below)

Please post it to: Electricity RMA Project Team, MBIE Energy & Resource Markets, 25 The Terrace, Wellington 6011.

Include:

- the title of the consultation
- your name or organisation
- your postal address
- your email address

Submissions close at 5 pm, 1 June 2023.

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We collect your personal information including full name, email address and place of employment (optional) in order to contact you if needed and understand the nature of your specific feedback. Personal information also relates to the opinions given in the survey, especially in free-text boxes. Providing some information is optional, you do not need to identify your place of work, however if you do not provide this information, we may not be able to understand your specialisation, if any, for the feedback given. We advise caution on the use of free-text boxes, please do not provide more personal information than is required for the purposes of this survey.

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Summary

This document seeks your feedback on changes we are proposing to a package of national direction tools to enable New Zealand to meet government targets for increasing renewable electricity generation and reducing greenhouse gas emissions from use of non-renewable sources, like coal and gas. This is an important transitional measure until the new resource management system comes into force in the next 7 – 10 years.

The proposed changes would help ensure current planning settings enable New Zealand to significantly expand its renewable electricity generation capacity, which is vital for electrifying our industries and shifting to a low-emissions economy.

These proposals relate to a package of national direction instruments under the Resource Management Act 1991 (RMA). This covers the existing:

- National Policy Statement on Renewable Electricity Generation (or 'NPS-REG')
- National Policy Statement on Electricity Transmission (the 'NPS-ET').
- National Environmental Standards for Electricity Transmission Activities (NES-ETA).

And new:

- National Environmental Standards for Renewable Electricity Generation (NES-REG).

In this summary we first explain why the changes are needed and then we summarise the proposed changes themselves.

Why the changes are needed

Renewable electricity is vital for New Zealand's shift to a low-emissions economy

Rapid and efficient investment in renewable electricity and the national grid is needed for New Zealand to reach its emissions reduction targets and renewable electricity goals. Current national direction for renewable electricity generation and electricity transmission was developed before emissions reduction targets were incorporated into New Zealand law, and are no longer fit for purpose to support the pace of development that is required.

While the Government intends for the resource management reform bills to be passed by mid-2023, significant investment in REG and ET projects needs to occur under the current RMA framework for around 7-10 years before the new resource management (RM) system becomes fully operative. The proposals to be consulted on would amend national direction instruments under the RMA to recognise the need for strengthened national direction to influence consenting decisions on renewable electricity infrastructure during this transition period. The policy intent of the proposals will also be translated into the National Planning Framework (NPF) which will provide national direction for the new RM system.

A summary of the proposed changes

We would like your views on the proposals summarised below in

Table 1. They are set out in this document in five parts:

- Part A discusses high-level options including statutory and non-statutory options within the Resource Management Act to address the identified issues
- Part B sets out the proposals that relate to renewable electricity generation and cover both changes to the National Policy Statement on Renewable Electricity Generation NPS-REG) as well as a proposed new National Environmental Standard on Renewable Electricity Generation.
- Part C sets out the proposals that relate to electricity transmission and cover both changes to the National Policy Statement on Electricity Transmission (NPS-ET) as well as changes to the National Environmental Standard on Electricity Transmission Activities NES-ETA).
- Part D provides an impact assessment of the proposed amendments to the NPS-REG and NPS-ET.
- Part E sets out proposals that relate to implementing Parts B and C. The proposals relating to NPS amendments in Parts B and C would take effect by late 2023. The proposals related to a NES-REG in Part B and the NES-ETA in Part C would come into effect in stages over time, and could support the work programme for the National Planning Framework in the new resource management system.

The table also indicates whether the specific proposals are changes to existing direction or new direction.

The proposed NPS-REG and NPS-ET have been released alongside this consultation available on MBIE's website.

We believe changes to the two existing National Policy Statements should be progressed as a priority, so that they would come into force (through being published in the Gazette) in 2023.

Proposals for changes to existing or new national environmental standards would be progressed later in 2023 to be brought into effect as regulations after 2023. Certain aspects of the standards will be progressed as infrastructure content of the NPF, which is the replacement national direction in the new resource management system. Other aspects of the standards could be progressed within standard RMA processes.

The proposals to strengthen national direction for REG and ET do not amend policy in the current NPS-REG for reconsenting existing hydro-generation, and are instead focussed on new wind and solar energy generation. Addressing consenting issues for hydro-generation has been considered more appropriate through the proposed Resource Management approach to freshwater allocation. We will consider conflict resolution and interactions with the NPS Freshwater Management (NPS-FM) through the National Planning Framework.

Table 1: Summary of proposals.

Topic	Summary of proposals	Status
Part A – High-level options to address the identified problems		
Part B - Strengthen national direction on renewable electricity generation		
Section 1 Recognising and providing for the national significance of renewable electricity generation	Provide stronger and more directive policy on the important role of these activities in meeting renewable electricity and emissions targets, with greater emphasis on national benefits and providing for the specific requirements and needs of these activities.	change
Section 2 Enabling REG activities in areas with significant environment values	Create new consenting pathways ("gateway tests" and effects management approaches) in areas with significant environment values to enable renewable electricity generation activities when the benefits of REG activities outweigh residual remaining adverse effects.	new
Section 3 Enabling REG activities in other areas	Enable renewable electricity generation activities in other areas, including where there are potential adverse effects on local amenity values, so long as effects are avoided, remedied or mitigated to the extent practicable.	new
Section 4 Recognising and providing for Māori interests	Introduce policy direction to recognise and provide for Māori interests in relation to REG activities, including through early engagement, protection of sites of significance, and through enabling small and community-scale REG activities.	new
Section 5 Upgrading and repowering existing wind and solar generation	Recognise the efficiencies that can be achieved by upgrading existing renewable electricity generation activities, including utilising existing structures and infrastructure within the same or similar footprint.	change
	Develop national standards for existing onshore wind and solar and upgrades and repowering to improve consistency and efficiency in the management of adverse effects on the environment	new
Section 6 Reconsenting existing hydro	Consider options as part of the National Planning Framework and maintain the status quo at this time.	existing (no change)
Section 7 Enabling small and community scale wind and solar generation	Recognise and provide for the significant cumulative contribution of small and community-scale REG in meeting targets and delivering local benefits, including energy and community resilience, reducing greenhouse gas emissions, and providing for the well-being of people and communities. A new definition is also proposed.	change
	Develop national standards for small and community scale onshore wind and solar generation projects to improve	new

	consistency and efficiency in the management of adverse effects on the environment.	
Section 8 Other options we are seeking feedback on	Nationally consistent rules for new large-scale wind and solar generation Broadening the scope of renewables national direction to apply to battery storage (grid/distribution connected). Applying pro-competitive conditions on consents for renewable generation ("use it or lose it").	new
Part C Strengthen national direction on electricity transmission		
Section 9 Recognising and providing for the national significance of electricity transmission	Providing for stronger and more directive policy on the important role of these activities in meeting renewable electricity and emissions targets, with greater emphasis on national benefits and providing for the specific requirements and needs of these activities.	change
Section 10 Managing environmental effects of electricity transmission	Enabling minor activities and providing clearer consenting pathways for development of the electricity transmission network.	change
Section 11 Improve workability and scope of the NES-ETA	Amending the NES-ETA to improve consistency and efficiency in the management of adverse effects on the environment, and improve workability through updated definitions, rules and conditions to better enable routine upgrading and maintenance of the electricity transmission network.	change
Section 12 Other options we are seeking feedback on	Broadening the scope of electricity transmission national direction to apply to high voltage electricity networks not owned or operated by the National Grid (Transpower).	new
Part D – Impact assessment		
Section 13 Impact assessment	Preliminary assessment of benefits, costs and risks.	
Part E – Implementation, monitoring and review		
Section 14 Implementation	RMA implementation options, non-statutory planning guidance and implementation support	
Section 15 Monitoring and review	Monitoring and review arrangements	

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Acronyms

BESS – Battery Energy Storage Systems

CAA – Climate Adaption Act

EMH – Effects Management Hierarchy

ERP – Emissions Reduction Plan

ET – Electricity Transmission

MBIE – Ministry of Business, Innovation and Employment

MfE – Ministry for the Environment

NBE – Natural and Built Environment Bill (2023)

NES – National Environmental Standard

NES-ETA - National Environmental Standard for Electricity Transmission Activities

NESF – National Environment Statement for Freshwater

NPS – National Policy Statement

NPS-ET – National Policy Statement on Electricity Transmission

NPS-FM – National Policy Statement for Freshwater Management

NPS-IB – National Policy Statement for Indigenous Biodiversity

NPS-REG – National Policy Statement for Renewable Electricity Generation

NZCPS – New Zealand Coastal Policy Statement (2010)

PV – photovoltaic

RMA – Resource Management Act (1991)

REG – Renewable Electricity Generation

SNA – Significant Natural Areas

SPA – Spatial Planning Bill (2023)

Introduction: Addressing the energy challenge for a low-emissions economy

Why renewable electricity is vital for our low-emissions future

The Government's 2050 vision for energy and industry is for Aotearoa New Zealand to have a highly renewable, sustainable and efficient energy system that supports a low-emissions economy. Renewable electricity – both generating it and transmitting it – is a key part of achieving that future. There is broad recognition from industry, environmental groups, and independent government organisations – including the Productivity Commission, the interim Climate Change Committee, the Climate Change Commission and Te Waihanga | the Infrastructure Commission – that New Zealand's resource management system needs to enable our renewable electricity sector to rapidly develop and expand its infrastructure.

This is vital if we are to electrify and decarbonise our economy to respond effectively to climate change. To meet our 2050 legislated net zero emissions target (excluding biogenic methane) and our energy and electricity targets, rapid expansion and major acceleration of renewable electricity infrastructure is required.

Renewable electricity generation needs to increase by an estimated 50 per cent to 70 per cent by 2035, and increase by 170 per cent by 2050. This requires maintaining the existing renewable generation and an average annual increase in generation capacity of around 400 to 500 megawatts (MW) per year until 2050.[1]

Problems with the current national direction

Our current resource management settings don't allow us to build the renewable electricity infrastructure at the rate needed

New Zealand's policy statements and environmental standards under the Resource Management Act 1991 (RMA) on renewable electricity are no longer appropriate to meet today's decarbonisation objectives.

The National Policy Statement for Renewable Electricity Generation 2011 (or 'NPS-REG') and the National Policy Statement for Electricity Transmission (or 'NPS-ET') are out of date. The two policy statements are no longer fit-for purpose to enable renewable electricity infrastructure to be consented and built at the scale and rate needed.

[1] Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity Long-form report (ea.govt.nz)

Key issues with the existing national direction and opportunities to review these have been covered by previous reports and inquiries, including Government evaluations,[2] the Climate Change Commission[3] (and its predecessor the interim Climate Change Committee[4]), the Productivity Commission,[5] Te Waihanga (Infrastructure Commission)[6] and the Electricity Authority.[7] [8] Their key findings and recommendations are summarised in Appendix A and are synthesised below:

1. The NPS-REG does not change the fundamental way that REG projects are treated through the consenting process and does not appear to have had a significant impact on councils' planning outcomes and decision-making in relation to REG projects.
2. As a less directive policy tool, the NPS-REG is given less weight in planning and consenting decisions than more directive tools. For example, inadequate national policy direction means that visual amenity effects can unnecessarily trump the development of renewable electricity generation.
3. The NPS-REG has made no difference to the time, complexity and cost of obtaining resource consents for renewable electricity generation investments.
4. The NPS-REG does not provide clear direction on key issues around consenting decisions for renewable electricity projects. Those issues include how to resolve competing national and local interests, and how to manage interactions with other issues that the RMA identifies as important – for example, protecting the country's outstanding natural landscapes and the relationship of Māori with their taonga[9].
5. In work for the Electricity Authority, Concept Consulting has identified that wholesale contract prices are currently higher than the cost of new baseload generation (wind and solar). While prices should be returning towards long run marginal cost of wind and solar, the rate at which this appears to be happening is slow, suggesting there is a barrier to investment relative to the rate of demand growth. The survey highlights that wind developers perceive Resource Management Act requirements have a significant effect on development pace.
6. The NPS-ET has not been widely implemented by councils and could be more specific in a number of areas.

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[2] Ministry for the Environment (2016) Report of the Outcome Evaluation of the National Policy Statement for Renewable Electricity Generation and Ministry for the Environment (2019) Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities.

[3] Climate Change Commission (2021)Ināia tonu nei: a low emissions future for Aotearoa

[4] Interim Climate Change Committee (2019) Accelerated electrification

[5] New Zealand Productivity Commission (2018) Low-emissions economy: Final report

[6] Te Waihanga/New Zealand Infrastructure Commission (2022) Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy

[7] Electricity Authority (2022). *Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity*.

[8] Concept Consulting (2022). Generation Investment survey. Prepared for the Electricity Authority, July 2022. PowerPoint Presentation (ea.govt.nz)

[9] The Resource Management Act 1991 does this in sections 6(b) and 6(e).

7. The NES-ETA does not effectively enable current routine maintenance practices with minor environmental effects.

This can lead to uncertain, lengthy and costly consenting processes. While the findings above indicate there is already a problem with these instruments, there is a risk that the existing consenting environment will not enable sufficient levels to be consented in the future at the pace and scale required to decarbonise our energy system.

A change in approach by the courts has also weakened the current policy statements as regulatory tools

The effectiveness of the two national policy statements has also been weakened by more recent interpretations from the courts. The two national policy statements were written when the New Zealand courts were taking an 'overall broad judgment' approach to decision-making, and the assumption was that renewable electricity and its benefits would be given sufficient weight when considering whether a particular proposal achieved the overall purpose of the RMA. While section 6 'matters of national importance' were given more weight than section 7 'other matters' as a starting point, the overall broad judgement approach allowed these matters to be considered together within the concept of sustainable management to meet the purpose of the Act.[10]

However, under the *King Salmon*[11] decision, the courts have since ruled that the 'overall broad judgment' approach is no longer valid when the purpose of the RMA has already given effect to by clear direction in the relevant planning documents (in that case, the New Zealand Coastal Policy Statement). With the courts' approach, the weaker policy direction in the NPS-REG have often been overridden by stronger, more directive direction in other national direction documents and in local government plans. Those other documents and plans have created 'environmental bottom lines' that override the weaker, less specific language in the NPS-REG, making it harder for renewable electricity projects to obtain consent.

As a result of those policy limitations, the NPS-REG is a less effective regulatory tool and New Zealand's renewable electricity infrastructure projects often face a costly, lengthy and uncertain resource consenting process.

[10] The purpose of national policy statements is to state objectives and policies for matters of national significance that are relevant to achieving the purpose of the RMA (section 5).

The RMA also identifies matters that are of special significance for resource management, as set out in sections 6, 7 and 8. These principles give 'further elaboration' to the section 5 purpose of sustainable management by stating particular obligations for those administering the RMA. Section 6 matters of national importance include areas of significant environmental and cultural value such as significant biodiversity and outstanding natural landscapes. Section 7 matters tend to more abstract but include the benefits to be derived by the use and development of renewable energy.

Section 6 are matters which decision-makers must 'recognise and provide for' while section 7 are matters which decision-makers must 'have particular regard to'. The statutory hierarchy means that a 'stronger direction' is given in relation to matters of national importance in section 6 than for the other matters in section 7.

[11] *Environmental Defence Society Inc v The New Zealand King Salmon Co Ltd* [2014] NZSC 38.

National policy statement for renewable electricity generation 2011

This policy statement was intended to be a positive step towards providing effective direction for local government planners and resource management decision-makers on how to provide for the development of renewable electricity generation.

However, this policy statement does not provide clear enough direction or address some key issues, such as how to resolve competing national and local interests and how to manage interactions with other issues that the RMA identifies as important – for example, protecting outstanding natural landscapes and maintaining amenity values.

The policy statement also provides no direction on how the national significance of renewable electricity generation should be considered when managing the – mainly local – adverse environmental effects, despite the critical importance of this infrastructure to meeting New Zealand's emissions reduction targets and providing other national, regional and local benefits. This lack of policy direction can create highly uncertain, costly and lengthy consenting processes.

The main limitations of the NPS-REG relate to the time it was drafted. Emissions reduction targets had not then been incorporated into New Zealand law, and the courts were also then applying a different approach to resource-management decision making – an 'overall broad judgment' approach. When the NPS-REG was being developed, it was assumed that the benefits of renewable electricity generation would be given sufficient weight in consenting decisions[12].

The courts have since held that the 'overall broad judgement' approach was not correct. With the courts' new approach, the directions in the NPS-REG have often been overridden by stronger, more directive language in other national direction documents and in local government plans[13]. Those other documents and plans have created 'environmental bottom lines' that override the weaker, less directive language in the NPS-REG, making it harder, less certain for renewable electricity projects to obtain consent. As a result, the NPS-REG has been less effective as a regulatory tool.

Those issues have been explored in a high-level review of a selection of renewable electricity infrastructure projects which identified lengthy, uncertain, costly and litigious consenting processes[14].

National policy statement on electricity transmission 2008

This policy statement recognises the national significance of the National Grid (the transmission network owned or used by Transpower) and provides direction to local authorities on how to provide for the development, operation, maintenance and upgrading of the national grid in resource-management plans and consenting decisions. It has been more effective than the policy statement on renewable electricity generation in achieving its objective.

For example, the 2019 evaluation of the National Policy Statement on Electricity Transmission found that it is an important policy instrument that has broadly met its objective by:

- having a positive impact on the ability of Transpower (the owner and operator of the National Grid) to establish new transmission infrastructure

[12] NZIER/Harrison Grierson (2011) National Policy Statement on Renewable Electricity Generation Evaluation under Section 32 of the Resource Management Act 1991.
[13] *Environmental Defence Society Inc v The New Zealand King Salmon Co Ltd* [2014] NZSC 38.
[14] 4Sight Case Studies Report for MBIE (2021)

- improving the management of the adverse environmental effects from the development, operation and upgrading of the transmission network
- helping to protect the National Grid from the adverse effects of third-party activities and development[15].

Transpower has recognised the benefits of the NPS-ET in supporting National Grid activities, noting that it "has provided a reasonable degree of national level policy support for National Grid activities – it allows Transpower to *seek to avoid*, rather than outright *avoid* sensitive environments"[16] (emphasis in original). However, several issues and limitations with the NPS-ET have also been identified, including concerns that the provisions may not be enabling enough to support New Zealand's more recent targets for renewable electricity and for reducing emissions.

Implementing the NPS-ET has been resource-intensive. Transpower has also raised some implementation issues and inconsistencies in how the NPS-ET has been given effect to (or not) by local authorities[17]. Interpreting the NPS-ET in this changing policy context is becoming more uncertain and onerous and is creating new risks for consenting the electricity transmission network.

These limitations in both the NPS-REG and NPS-ET often lead to consenting processes that are complex, lengthy, costly, uncertain and litigious[18]. This affects both new projects of all scales and types, and upgrades of existing infrastructure and reconsenting of existing renewable electricity activities. These problems have also been explored in the high-level review of renewable electricity infrastructure consents[19].

Why we need to act now

Failing to limit global warming to 1.5˚C risks irreversible harm to the environment, human health, and our economies

Climate change is the most significant environmental challenge of our time and is closely linked with the health of the environment and the future health and wellbeing of communities. Global temperatures have already risen between 0.8 and 1.2˚C above pre-industrial levels, and this has caused rapid, widespread changes to the atmosphere, ocean, cryosphere, and biosphere[20]. The scale of those changes is confirmed not just by scientific studies but also by New Zealand's direct experiences of increasingly severe and dangerous floods, droughts, fires and storms[21].

[15] Ministry for the Environment and Ministry for Business, Innovation and Employment (2019), *'Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities'*.
[16] Transpower submission on NBA exposure draft, August 2021, pg.16.
[17] In particular, as identified in the Transpower submission on MBIE Accelerating Renewable Energy and Energy Efficiency Discussion Document. February 2020.
[18] This is well evidenced in a number of documents, including the MfE/MBIE Report (2016) *Report of the Outcome Evaluation of the National Policy Statement for Renewable Electricity Generation*, Te Waihanga (2022) *New Zealand infrastructure strategy* and 4Sight (2021), '*National Direction on Renewable Electricity Generation and Transmission - Issues and Options*' - prepared for Ministry of Business, Innovation and Employment. Some of these issues are being addressed at a more general level through the resource management reforms, which include an objective of improving system efficiency and effectiveness and reducing complexity.
[19] 4Sight Case Studies Report for MBIE (2021).
[20] IPCC Sixth Assessment Report Working Group 1 – the Physical Science Basis: Headline Statements from the Summary for Policymakers.
[21] Ministry for the Environment (2022) Te hau mārohi ki anamata Towards a productive, sustainable and inclusive economy: Aotearoa New Zealand's first emissions reduction plan (Aotearoa New Zealand's first Emissions Reduction Plan).

It is critical that we limit global warming to 1.5˚C above pre-industrial levels, as failing in this risks widespread and irreversible harm to biodiversity and ecosystems, to human health and well-being, and to economic growth[22]. Without immediate and significant reductions in emissions, limiting global warming to 1.5°C will be beyond reach.

New Zealand's government has responded with legally binding targets and a national Emissions Reduction Plan

In response to this challenge, the New Zealand Government has set legally binding targets for reducing domestic emissions[23]. The main target is net-zero emissions of greenhouse gases, other than biogenic methane, by 2050 ("biogenic" means produced by living organisms, like cows).

The Emissions Reduction Plan released in May 2022 is vital for meeting this target.[24] Electrifying the economy and moving from fossil fuel energy use to renewable electricity is central to the country's Emissions Reduction Plan. New Zealand will not meet this target unless we significantly increase our investment in renewable electricity and use this to replace fossil fuel use in sectors such as transport and process heat.

A key action in the Emission Reduction Plan is to reduce barriers to developing and efficiently using electricity infrastructure. A key initiative to reduce these barriers is reviewing the NPS-REG and NPS-ET which give direction to decision-makers considering consent applications for renewable electricity generation and transmission projects. Previous work and consultations, including feedback on MBIE's discussion document *Accelerating Renewable and Energy Efficiency,* has led to the proposals contained in this consultation document.

Our renewable electricity infrastructure needs to be significantly expanded

The *New Zealand Infrastructure Strategy* (2022)[25] recognises that we need to rapidly expand the country's renewable electricity infrastructure if we are to be able to meet future energy demand in a low-emissions economy.

Fortunately, New Zealand has abundant potential sources of renewable energy[26]. The Climate Change Commission has also confirmed that the country has the technology and tools needed for the significant change that will enable us to meet our energy and emissions reduction targets.[27] In the last two decades there has not been sufficient investment in increasing renewable electricity capacity to meet future needs. However, in line with the future energy demand that a fully electrified economy will involve, the electricity industry has recently announced significant ambitions for new renewable capacity. A recent survey indicates that investment is now roughly 2.5 times the average rate achieved in the last decade[28]. There is also a substantial amount of actively pursued renewable generation that could be in service by 2025 – roughly 8,000 GWh/year.

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[22] IPCC SR15 Global Warming of 1.5 ˚C – Headline Statements from the Summary for Policy makers.
[23] See the Climate Change Response Act 2002.
[24] You can read the Emissions Reduction Plan here: Emissions reduction plan | Ministry for the Environment
[25] Te Waihanga (2022). Rautaki Hanganga o Aotearoa, New Zealand Infrastructure Strategy https://strategy.tewaihanga.govt.nz/strategy
[26] Te Waihanga (2022) *New Zealand Infrastructure Strategy.*
[27] Climate Change Commission (2021) *Ināia Tonu Nei: a low emissions future for Aotearoa.*
[28] Concept consulting (2022). Generation Investment survey commissioned by the Electricity Authority. PowerPoint Presentation (ea.govt.nz)

We need urgent action to strengthen our resource-management settings

That intended investment needs to quickly become actual investment in order to meet the country's renewable electricity goals and help encourage competition in the electricity market.

It can take several years to get a major infrastructure project consented and built. The electricity industry has raised persistent concerns about the length, complexity and cost of consenting processes. Recent research found that the cost of obtaining resource consent for infrastructure projects has grown significantly in recent years – both in time and money[29]. It found that consenting costs are 5.5 per cent of the total costs of an average infrastructure project, but that for smaller projects – those worth less than $200,000 – the consenting cost averages 16 per cent of a project's costs.

It is critical that existing policy direction helps to support the consenting system for renewable electricity projects to be more efficient while also being environmentally sustainable. This will help ensure we have the right policy settings over the next seven to 10 years (the approximate time it will take for the new resource-management reforms to come into effect), and ensure that renewable electricity generation and electricity transmission meets expected demands in the coming years.

The Government is comprehensively reforming New Zealand's resource management system

In early 2021, it announced that it intended to repeal the current legislation, the (RMA), and pass three new Acts:

- The Natural and Built Environment Act (NBE) will be the main replacement for the RMA. It will seek to protect and restore the environment while better enabling development.
- The Spatial Planning Act (SPA) will seek to coordinate and integrate decisions made under relevant legislation by requiring the development of long-term regional spatial strategies.
- The Climate Adaptation Act (CAA) will seek to address complex issues associated with managed retreat from climate change effects.

The NBE and SPA Bills were introduced in November 2022. The Government intends for these bills to be enacted in mid-2023, with the Climate Adaptation Act likely to follow later in 2023.

However, it will take much longer for the full system of planning documents to be developed – these will include the NPF (which will replace the national directions under the current system), plans under the NBE, and regional spatial strategies under the SPA. This means that the national directions under the current RMA will continue to have legal effect on decisions for plan changes and resource consents during a transition period of roughly seven to 10 years. Because of the lengthy transition period, failing to resolve the current problems with the national direction on renewable electricity would pose a significant risk to meeting New Zealand's immediate targets for renewable electricity, energy and emissions reductions.

[29] Sapere (2022) The-cost-of-consenting-infrastructure-projects-in-NZ-final-report.pdf (tewaihanga.govt.nz). Report commissioned by Te Waihanga. Note this research was not specific to renewable electricity generation or transmission projects.

Addressing climate change and managing effects on the environment

Addressing the energy challenge for a low-emissions economy will also require developing electricity infrastructure in harmony with the environment.

Increasing renewable electricity generation capacity can have adverse effects on the environment

Development that increases renewable electricity capacity and transmission can have both positive and adverse environmental effects. Those effects can span local, regional, national and global scales, with the adverse effects being mainly local and the positive ones being mainly national. Natural resources from which electricity is generated can coincide with areas of significant natural environmental value, including outstanding natural features and landscapes, and significant indigenous vegetation or fauna.

There can be tensions between the values of these areas and the potential adverse effects of renewable electricity projects. For example:

- Hydropower schemes affect water quality and prevent fish from passing.
- Wind generation is necessarily located in open, and usually prominent, places, and this can result in adverse effects on landscapes and amenity values and on significant indigenous flora and fauna.
- Large ('utility-scale') solar farms can adversely affect landscapes and amenity values, significant indigenous flora and fauna, and natural wetlands.

The Low Carbon Aotearoa Energy Roadmap to 2030[30] sets out a vision that our energy system accelerates the transition to a net-zero future that supports the wellbeing of current and future generations and enables Aotearoa to thrive. One of the key objectives of the roadmap is that our energy sector takes responsibility for its environmental impact and supports a regenerative energy system – a system that better understands and manages the impacts of energy activities on air, land, water and biodiversity.

The roadmap emphasises that tracking and reporting the environmental impacts of energy activities is typically held by industry and councils. Section 14 on monitoring and review discusses whether public records and monitoring of energy consents could be enhanced to understand how our energy sector is performing.

New generation capacity needs to be developed in a balanced way that minimises effects on the environment

There is a risk that strengthening the policy statements for renewable electricity could weaken existing protections for the natural environment values, Māori interests, and historic heritage values. It is important that new renewable electricity capacity is developed in a balanced way that achieves a 'win-win' for both a low-emissions economy and the natural environment.

The Emissions Reduction Plan recognises that the climate crisis and the biodiversity crisis can't be separated. Aligning work on climate change and biodiversity provides an opportunity to take strong, integrated action in both areas. This approach will support our response to the climate crisis to

[30] Low Carbon Aotearoa (2022) – An Energy Roadmap to 2030

improve the resilience of our native species and ecosystems and avoid them being lost or destroyed. Climate policy, planning and regulation should protect, enhance and restore nature, and any impacts on nature should be reduced as much as possible.

It is reasonable for renewable electricity projects to have to go through a thorough and effective consenting process and for some projects to be refused consent if they are in inappropriate locations and or have too great adverse effects on significant values. A key focus of the proposed changes in this document is clarifying and balancing the policy objectives so that renewable electricity infrastructure can be readily enabled if it is appropriately located, and the adverse effects will be appropriately managed.

This consultation document explores how the resource management system can address these different interactions and give appropriate weight to relevant considerations. The impacts of the proposals are further described and analysed in each section and we invite you to give feedback on what weight should be given to enabling and prioritising renewable electricity in decision-making under the RMA alongside other important values.

Previous consultations and decisions

There have been numerous reviews and consultations informing the proposals in this consultation document, including review of the effectiveness of the NPS-REG, NPS-ET and NES-ETA which highlighted a number of issues and limitations. In 2019, the Government decided to strengthen existing RMA national direction on renewable electricity generation and transmission. Public consultation on proposals to achieve this subsequently took place in 2019-2020 through MBIE's discussion document *Accelerating Renewable and Energy Efficiency.*

The work to strengthen this national direction has also been supported through the recommendations of the Productivity Commission, Climate Change Commission, Te Waihanga (NZ Infrastructure Commission), and the Electricity Authority. A summary of the findings of government evaluations and independent reviews is provided in Appendix A.

Public submissions on the *Accelerating Renewable Energy and Energy Efficiency* discussion paper in 2019 indicated strong support for changes to national direction for renewable electricity. The majority of submitters agreed that the NPSREG was relatively weak in comparison to other national direction instruments, and not aligned with the importance of the renewable energy and climate change challenge. (Para. 65) and does not resolve the difficult decisions at a local level (such as weighting local impacts against national scale benefits that often do not benefit the affected parties directly) (Para. 66 and 67). In general, submitters favoured prioritising work on updating the NPS-REG and other national direction instruments to resolve current issues.

MBIE received detailed submissions on questions around amending the NPS-REG, including on:

- Weighing renewable energy against other national priorities
- Weighting national benefits against local impacts
- The importance of existing generation
- The scope of the NPS-REG
- Community and small-scale renewables

- The importance of transmission and distribution links

There was also mixed or qualified support for other options for providing for renewables through the planning system including an NES for renewable energy.

This has been reinforced by targeted engagement in 2022 on the proposals in this consultation document with the electricity industry, local government and iwi/Māori. Feedback on the proposals from the electricity sector has been supportive, although concerns have been raised about the limited effectiveness of enabling policies that interact with more directive 'avoid' policies in other national direction instruments. Feedback from local government has also been broadly supportive of the proposals provided these do not introduce additional workload ahead of resource management reform. Feedback from iwi/Māori on the proposals is discussed below.

Objectives and the approach of proposals in this consultation document

Policy objectives

The overarching objective of the proposals in this consultation document is to substantially increase renewable electricity generation output and to achieve this by improving the consenting of renewable electricity generation and electricity transmission while managing adverse effects on the environment.

To achieve this overarching objective, the supporting objectives are to:

- provide more enabling policy direction for renewable electricity generation (REG) and electricity transmission (ET)
- better manage competing interests with other Part 2 RMA matters, particularly environmental outcomes which are listed in section 6 as "matters of national importance" through nationally consistent consenting pathways; and
- provide for Māori interests for the consenting of REG and ET projects and incorporate the principles of Te Tiriti o Waitangi.

Assessment criteria

The proposals will be assessed against assessment criteria that have been derived from these policy objectives as outlined in the table below.

Table 2: Criteria used to assess the proposals

Criteria	Questions to guide application of the criteria
Effectiveness in supporting NZ'S renewable electricity and emissions reduction targets	Will the option be effective in supporting reductions in emissions and the accelerated electrification of the economy? Is the option aligned with the Government's overarching approach to climate change mitigation and the Emissions Reduction Plan? Will the option be effective in addressing the issues that have been identified?
Environmental outcomes	Will the option provide environmental co-benefits? Will the option promote positive environmental outcomes? Will the option ensure adverse environmental effects are appropriately managed?
Te Tiriti o Waitangi outcomes	Does the option take into account the principles of Te Tiriti o Waitangi and protect Māori rights and interests? Does the option promote partnership and provide for the kaitiaki role of tangata whenua? Does the option recognise and provide for the relationship of Māori with their ancestral lands, water, sites, waahi tapu, and other taonga?
Consenting efficiency and certainty - resource consent applicants, local government and central government	Will the option improve the efficiency and certainty of consenting processes for renewable electricity generation and transmission projects, for applicants and local authorities? Will the option provide clear consenting pathways appropriate to the scale and significance of the proposal? Are there implementation risks for local authorities and central government?

The following assessment rating is used to assess the policy options in this consultation document.

Key for assessing option against criteria:	
++	much better than status quo
+	better than status quo
0	about the same as status quo
x	worse than status quo
xx	much worse than status quo

National policy statements

The proposals in this document focus on strengthening, as a priority, the current national policy statements on renewable electricity generation and electricity transmission, to help provide a consenting process that is more efficient, certain and also environmentally sustainable.

The two policy statements share similarities regarding the issues to be addressed and the outcomes sought. We therefore propose progressing the amendments to the two statements in parallel, to ensure they are developed in an integrated way. This approach recognises the need for stronger national policy direction to influence consenting decisions on renewable electricity projects during the transition to the new resource management system. The proposals would not require local authorities to initiate plan changes ahead of resource management reform but are instead intended to influence consenting decisions during this transitional period. Feedback is also being sought on whether some provisions should be directly inserted into plans as discussed further in Part E – Implementation.

Broader, longer term and more comprehensive changes are being pursued as part of the resource management reforms. Some of the new provisions are expected to improve the consenting environment for renewables, beyond what is achievable within the existing legislation. For example, the National Planning Framework will give greater direction on spatial planning and conflict resolution processes, and this could better enable and provide for renewable electricity infrastructure within each region.

National environmental standards

Treaty partners, independent commissions, and organisations interested in the energy sector have raised other important issues that can be addressed by amending the current national environmental standards ('NES') and developing new ones.

We are therefore seeking feedback on:

- amendments to improve the National Environment Standards for Electricity Transmission Activities (NES-ETA)
- our proposal to introduce new National Environmental Standards for Renewable Electricity Generation, which would include nationally consistent rules and standards for wind and solar generation relating to small and community-scale projects and for upgrading and repowering existing generation sites.

Developing standards is complex and it requires a different, more lengthy regulatory process. Further, nationally consistent standards for infrastructure (for example, for tree trimming, earthworks, and noise) are being developed for the National Planning Framework. As a result, the Government will determine how to sequence and progress any new or amended NESs for renewable electricity generation and electricity transmission in the most effective and efficient way, whether this is through the current Resource Management Act, the new National Planning Framework, or both.

Further development and sequencing of the proposed changes to National Policy Statements and National Environmental Standards are shown at Table 3 below.

Table 3: Policy development for proposed amendments

	NPS-REG	NPS-ET	NES-REG	NES-ETA
2023	Report on submissions and policy recommendations (section 46A report)	Report on submissions and policy recommendations (section 46A report)	Consideration of issues and options under the RMA and the National Planning Framework	Consideration of issues and options under the RMA and the National Planning Framework
	Further drafting of NPS	Further drafting of NPS		
	Exposure draft consultation (TBC, if substantive changes to drafting from earlier consultation)	Exposure draft consultation (TBC, if substantive changes to drafting from earlier consultation)		
	Final government approval of final NPS	Final government approval of final NPS	Summary of submissions and policy recommendations (section 46A report)	Summary of submissions and policy recommendations (section 46A report)
	Gazettal (NPS takes effect 28 days after gazettal)	Gazettal (NPS takes effect 28 days after gazettal)		
2024			Cabinet approval of policy and drafting instructions	Cabinet approval of policy and drafting instructions
			Exposure draft consultation	Exposure draft consultation
			Cabinet approval of final NES	Cabinet approval of final NES
			Gazettal / standards come into force	Gazettal / standards come into force

Te Tiriti o Waitangi (Treaty of Waitangi) and Māori interests

Treaty of Waitangi and te ao Māori in the resource management system

The RMA specifically recognises the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga, the protection of historic heritage, the national protection of customary rights, the role of tangata whenua as kaitiaki, and the principles of the Treaty of Waitangi[31].

[31] See sections 6(e), 6(f), 7(a), and 8.

There are also a range of other provisions in the RMA that recognise and provide for the role of tangata whenua as kaitiaki, including requirements to engage with tangata whenua when preparing RMA planning documents and to establish joint management agreements between iwi authorities and local authorities. Although these obligations exist, there is inconsistency in how Māori interests are provided for in RMA decision-making processes throughout the country.

A key reason for that includes limitations in capacity and capability for central and local government and iwi and Māori to engage on resource management issues, and lack of funding and support to address these issues.[32]

One of the key objectives of the resource management reforms is to "*Give effect to the principles of Te Tiriti o Waitangi and provide greater recognition of Te Ao Māori including mātauranga Māori".* This is expected to include, for example, increasing the statutory weighting to "give effect to" the principles of Te Tiriti of Waitangi under the Natural and Built Environment Act and supporting provisions to provide a stronger role for Māori in the new resource management system.

Māori interests in renewable electricity generation and electricity transmission

Renewable electricity generation and electricity transmission projects can have both positive and adverse effects for tangata whenua and for the land, water and other taonga that are important to them.

For example, feedback from iwi on MBIE's discussion document *Accelerating Renewable and Energy Efficiency* indicated strong support for the growth of community-scale renewable generation[33]. Some iwi submissions also indicated support for the role of renewable electricity generation in reducing emissions, with one stating "*As kaitiaki, we also think it is incredibly important we play our role in reducing emissions and addressing the climate crisis".*

Iwi support for small and community-scale renewable energy can also be seen in the applications to the Māori and Public Housing Renewable Energy Fund administered by MBIE. Since 2021, this has funded numerous iwi and Māori organisations for a range of renewable energy projects, including solar generation for Māori housing in more remote locations, and feasibility studies for community-scale generation for Māori households. Some successful geothermal generation projects have also been developed by or with the support of iwi.

On the other hand, renewable electricity generation and electricity transmission projects can adversely affect Māori rights and interests and cultural values, particularly where these are in areas of significance to tangata whenua. For example, in the case of a recent Transpower realignment proposal in Rangataua Bay, in Tauranga Harbour: the High Court found that the proposal would have significant adverse effect on an area of cultural significance.[34]

More recently, iwi have raised concerns about approval for a wind energy facility in Kapuni, in south Taranaki. The decision-making panel for the proposal noted the significance for local iwi of the maunga affected by the proposal.

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[32] New directions for resource management in New Zealand | Ministry for the Environment (pg 88)

[33] MIBE '*Accelerating renewable energy and energy efficiency Summary of submissions'*, refer: Accelerating renewable energy and energy efficiency: Summary of submissions (mbie.govt.nz)

[34] *Tauranga Environmental Protection Society v Tauranga City Council* [2021] NZHC 1201 at [120(e)].

Treaty of Waitangi Settlements

There are some significant cultural concerns and historical grievances associated with existing hydro and geothermal generation schemes, and these are reflected in several Treaty Settlements[35]. These settlements have included the Crown acknowledging the impact of the construction of hydro and geothermal schemes on affected iwi through causing significant, and generally irreversible, changes in waterbodies and widespread environmental degradation, and with limited or no engagement with iwi.

All waterbodies affected by the large hydro schemes are taonga to tangata whenua and are subject to various obligations in Treaty of Waitangi and Settlement legislation. The proposals in this consultation document will not have an impact on Treaty Settlement legislation or other obligations arising from Treaty settlements such as settlement deeds, and other accords and agreements between the Crown and relevant iwi and hapū. This includes those settlements that create specific regimes for waterbodies or geothermal and other resources that are significant to tangata whenua and that are existing or potential sources of renewable electricity. For example, the specific regimes for the Waikato River, as this settlement legislation overrides any national policy statement if the two are inconsistent.

How the proposals could affect Māori

We have engaged with a number of iwi throughout New Zealand about the intent of the proposals in this document and that has informed our understanding of the impact they could have on iwi and Māori. MBIE also received several submissions from iwi as part of consultation in 2019 and 2020 on our discussion document *Accelerating Renewable Energy and Energy Efficiency*, and we have drawn on those submissions in developing the proposals in this document.

In online hui to discuss these proposals, iwi representatives raised concerns about the need for iwi to be more involved during consenting processes and the need to protect Māori sites of significance and cultural values, particularly for freshwater. They also raised concerns about environmental life-cycle issues, including relating to decommissioning and recycling renewable electricity components such as wind turbine blades. There was strong support from those who attended the hui for community-scale energy generation to allow whānau and communities to provide for their own energy needs and be self-sufficient.

Māori have a special relationship with the coastal environment as reflected in the Marine and Coastal Area (Takutai Moana) Act 2011. Some of the proposals in Sections 2 and 10 suggest REG and ET developments being more enabled in the coastal environment. We are seeking further views from iwi/Māori partners to better understand these relationships and potential impacts.

Part B of this consultation document includes proposals for how renewable electricity projects should consider and provide for Māori interests, over and above existing provisions in the RMA and in Treaty Settlements. Through engaging with iwi and Māori on these proposals, we are seeking feedback on how an amended national direction could better provide for Māori interests.

[35] Including, for example, the Waikato River iwi settlement acts, Ngati Rangi Settlement Act, Ngati Manawa Settlement Act, and Whanganui River Settlement Act.

Interactions with other national direction instruments in the resource management system

Strengthening national direction on renewable electricity generation and electricity transmission requires proactively managing interactions with other national direction instruments in the resource management system. The proposed approach is to provide a clearer consenting pathway for renewable electricity and transmission projects, including when other values are being managed and protected through other National Policy Statements. This consenting pathway is a key policy proposal and is discussed in Section 2 (for REG) and Section 10 (for transmission).

Out of scope: Issues that are not discussed in this document

Renewable energy on a broader scale

The use of renewable energy sources other than for the primary purpose of electricity generation includes biomass, biogas, and direct use of geothermal heat. Green hydrogen is considered to be a user of renewable electricity generation, not a source. These sources are not currently the focus of these proposals as they involve a wider range of resource management issues that are beyond the scope of these current proposals. However, they could be considered as part of developing the National Planning Framework in the new resource management system.

The regulatory framework for offshore renewable generation

Offshore renewable energy generation could be viable in New Zealand's Exclusive Economic Zone (not covered by the RMA and associated instruments) and Territorial Sea (which is covered by the RMA and associated instruments). A separate piece of work is looking at the broader regulatory settings for offshore renewable energy. The Government is consulting until 14 April 2023 on regulatory proposals to manage feasibility studies. The consultation document is available here[36]

This consultation document does not propose any specific policies relating to offshore renewable electricity generation. However, the policy proposals in this consultation could inform future decision-making on offshore renewable electricity generation governed both by the RMA (within New Zealand's territorial waters) and the Exclusive Economic Zone (beyond 12 nautical miles).

Decommissioning renewable electricity infrastructure

This consultation document does not specifically address waste production and resource recovery from decommissioned renewable electricity infrastructure – for example, when infrastructure is upgraded or replaced (as when wind farms are repowered and the existing turbines are replaced)[37]

Waste from these activities is considered alongside other waste streams as part of waste, recycling, recovery and product stewardship policy led by the Ministry for the Environment (MfE).

[36] Ministry of Business, Innovation and Employment (2022), '*Enabling Investment in Offshore Renewable Energy – Discussion Document*'.

[37] Recycling and reusable options for wind turbine blades in particular have only recently emerged. The landfilling of turbine blades has been banned in Germany, Austria, the Netherlands and Finland.

Questions[38] on problems, objectives and scope
0.1 To what extent do you agree with the problems and opportunities identified in this section?
0.2 To what extent do you agree with the policy objectives of the proposals?
0.3 To what extent do you agree with the scope of the proposals?
0.4 Please provide any comments about this section.

[38] The questions starting with "To what extent do you agree…?" can be answered using the likert scale as follows:

Strongly agree, agree, neutral, disagree, strongly disagree.

All questions can be answered using the online survey tool available on MBIE's webpage for this consultation.

Part A: High-level options to address the identified problems

This section provides an overview of the key options considered to address the problems outlined in the Introduction, and a high-level assessment of those options. There are tools within the RMA that can be used to provide national direction on a particular problem or matter of national significance. There are also regulatory and non-regulatory options that sit outside the RMA that can be used to provide national direction and guidance. The high-level options identified are as follows:

- Amendments to existing National Policy Statements
- Amendments to existing National Environmental Standards
- Ministerial call-in powers
- Fast-track consenting
- Non-statutory planning guidance

Amendments to existing National Policy Statements

The purpose of National Policy Statements (NPS) is to state objectives and policies for matters of national significance that are relevant to achieving the purpose of the RMA. An NPS may also state objectives, policies and methods and other requirements that local authorities must consider or include in their policy statements and plans. Local authorities must "give effect to" relevant NPS provisions through their regional policy statements and plans and "have regard to" relevant NPS provisions when considering resource consent applications (section 104(1)(b)(iii)).

Amending the two existing NPS relevant to renewable electricity generation (NPS-REG) and transmission (NPS-ET) would involve addressing their limitations with the aim of providing a more efficient and certain consenting process for renewable electricity generation and transmission that is also environmentally sustainable. The amendments would seek to achieve this through clear policy direction on the need to significantly increase renewable electricity generation and transmission capacity and improved policy direction to decision-makers on how to resolve interactions with competing national and local interests.

The main limitation of this option is that there is less certainty compared with an NES about the desired outcomes that will be achieved as NPS provisions are still subject to a level of interpretation at the local level. This risk can be mitigated through clear and directive provisions in each NPS that leave limited scope for discretion and inconsistent interpretations in consenting decisions.

There are also some implementation challenges such as the time lag and workload for local authorities to "give effect to" the amended NPSs through making changes to their policy statements and plans. We discuss options to ensure implementation effectiveness and ways to guarantee that the amended policy direction informs consenting decisions during the transitional period to the new resource management system. We will need to carefully manage the potential burden on local authorities in changing local and regional policy statements and plans at a time of reform and

substantial change. For example, as outlined in Part E (implementation), we are considering the option to require objectives and policies in the NPS to be directly inserted into plans and policy statements (in accordance with section 55(2) of the RMA) without using the standard plan-making process.

Amendments to existing and new National Environmental Standards

National Environmental Standards (NES) are regulations made under section 43 of the RMA. NES prescribe standards for environmental matters and can operate in a similar way as plan rules to provide greater national consistency and certainty in permitted activity and resource consent requirements for different types of activities (including infrastructure). NES generally prevail over plan rules, except where an NES expressly states plan rules can be more stringent or lenient.

The existing NES on transmission (NES-ETA) sets out nationally consistent standards for electricity transmission activities but there is no equivalent set of national standards to support the roll out of renewable electricity generation projects. This option would involve amending the NES-ETA to improve its workability and to better enable routine upgrading and maintenance of the electricity transmission network. This option would also involve developing a new NES for renewable electricity generation for onshore wind and solar generation relating to small and community-scale projects and upgrading and repowering existing generation.

The benefits of this option include the NES provisions having immediate effect and providing a high level of certainty and consistency in how both NES are implemented, and outcomes achieved. The main limitation of this option is that they provide limited flexibility to respond to local priorities and policies. As such, the NES-ETA amendments and a new NES on renewable electricity generation need to be carefully designed to ensure they are appropriate in all locations to avoid unintended consequences, such as undesirable cumulative effects on nearby communities from greater-than-expected uptake of community-scale REG.

Additionally there is overlap with this option and the wider work to develop nationally consistent standards for infrastructure in the National Planning Framework that need to be managed. This will be managed by working closely within government to determine how to sequence and progress any new or amended NESs for renewable electricity generation and electricity transmission in the most effective and efficient way, whether this is through the current Resource Management Act, the new National Planning Framework, or both.

Ministerial call-in powers

The Minister for the Environment has the power under section 24(c) and Part 6AA of the RMA to decide whether a proposal is of national significance and refer that proposal to a Board of Inquiry or the Environment Court for a decision. Ministerial call-in powers have the potential to accelerate the approval of renewable electricity generation and transmission projects by providing a single decision-making process rather than obtaining the relevant consents at the local authority level and then having the decision appealed to the Environment Court (and potentially higher Courts).

The limitation of this option is that any renewable electricity generation or transmission project that is called in as a matter of national significance still needs to be assessed against the same statutory

framework under the RMA. As such, this option would not address limitations with the NPS-REG and NPS-ET including the lack of direction on how to resolve interactions with competing national and local interests. It would not include any clear policy direction to the Environment Court or Board of Inquiry on the need to significantly increase renewable electricity generation or transmission capacity. This option is therefore complementary rather than duplicative with national direction. It may assist in providing a timelier decision-making process for large-scale renewable electricity generation or transmission projects but is unlikely to materially affect the outcome of the decision-making process under current policy settings.

Fast-track consenting

The COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) came into force on 9 July 2020 as a response to the Covid-19 pandemic, and the associated New Zealand wide lockdowns. The purpose of the FTCA is to urgently promote employment to support New Zealand's recovery from the economic and social impacts of COVID-19 and to support the certainty of ongoing investment across New Zealand, while continuing to promote the sustainable management of natural and physical resources. Key characteristics of the FTCA that differ from RMA consenting include no provision for public notification, shorter timeframes for processing a decision and limited appeal rights (High Court on points of law only).

The FTCA originally self-repealed after two years, but in November 2021 the COVID-19 Response (Management Measures) Legislation Act came into effect, extending the self-repeal date of the FTCA by a year out to 8 July 2023. Renewable projects to date that have been referred for consideration by an expert consenting panel under FTCA include Kapuni Green Hydrogen (wind turbines and hydrogen production infrastructure) in Taranaki, Tauhei Solar Farm and Waiterimu Solar Farm projects in Waikato, and Te Rere Hau Wind Farm Repowering near Palmerston North.

The NBE Bill contains a specified housing and infrastructure fast-track consenting pathway which is broadly based on the FTCA including limited appeal rights. However, notable differences[39] are that only certain types of housing and infrastructure projects that deliver benefits are eligible to use this pathway. Relevant to energy, this includes wind or solar energy generation, renewal of consents for REG (including hydro), and electricity distribution or transmission network infrastructure. This option will assist in a more efficient decision-making process for REG and ET projects, particularly until the new RM system is fully operational.

Non-statutory planning guidance on renewable electricity generation

This option would involve the development of non-statutory guidance on renewable electricity generation as discussed in section 14 of this consultation document. The focus would be on supporting developers and decision-makers to plan for, and consider, renewable electricity generation projects, including how to assess and manage adverse environmental effects.

[39] Other notable differences to the FTCA relate to how the Minister will be advised on whether an activity is eligible or not, appointing of the expert consenting panels, timeframes and notification provisions

This option will have limited effectiveness as a standalone option. Non-statutory guidance does not have any statutory weight and is therefore unable to effectively address identified issues with the NPS-REG, including the lack of direction on how resolve interactions with competing national and local interests. Non-statutory planning guidance can be considered as a relevant "other matter" when assessing resource consent applications under the RMA, but this is unlikely to have material impact on consenting decisions for renewable electricity generation when considered against directive policies in other national direction and local plans.

However, non-statutory planning guidance can be effective to support the implementation of national direction instruments. It is standard practice for central government to release non-statutory guides with new or amended national direction instruments to assist with effective and efficient interpretation and implementation. Non-statutory planning guidance can provide more context on the policy intent of provisions and practical examples to assist developers and local authorities plan for and consider renewable electricity generation projects. As such, it is complementary rather than duplicative with national direction.

Preferred option – proposed national direction

The preferred option or 'proposed national direction' is a combination of the options above. The proposed national direction involves:

- Amending, as a priority, the NPS-REG and NPS-ET to help provide a consenting process that is more efficient and certain while also being environmentally sustainable. This approach recognises the long transition time until consenting decisions are made under plans in the new resource management system and the need for stronger national policy direction to influence consenting decisions on renewable electricity generation and transmission projects during this transition. The amended policy direction that is finally agreed will also be incorporated into the National Planning Framework of the new resource management.
- Amending the NES-ETA to improve workability and better enable routine upgrading and maintenance of the electricity transmission network and developing a new NES focusing on small and community-scale wind and solar generation projects, and upgrading and repowering existing wind and solar generation.

Supporting non-statutory planning guidance would also be developed to assist with the effective, efficient and consistent implementation of this proposed national direction.

Questions on high-level options
0.5 To what extent do you agree the preferred option will best address the problem and meet the policy objectives?
0.6 Do you agree that the NPS-REG and NPS-ET amendments are of higher priority than progressing the NES-ETA amendments and a new NES-REG?
0.7 Please provide any comments about this section.

Part B: Strengthening national direction for renewable electricity generation

Part B of this document focuses on issues and options related to renewable electricity generation. In each section, we provide an overview of the problem we want to address, the options we would like your feedback on, draft wording for the proposed new provisions, and finally several questions to help focus your feedback on the key issues.

The draft wording in the provisions tables in each section have been taken from the proposed NPS-REG draft released alongside this consultation document and available on MBIE's website.

The sections in Part B are:

- **Section 1**: Recognising and providing for the national significance of renewable electricity generation
- **Section 2**: Enabling REG in areas with significant environment values
- **Section 3**: Enabling REG in other areas
- **Section 4**: Recognising and providing for Māori interests
- **Section 5**: Upgrading and repowering existing wind and solar generation
- **Section 6**: Reconsenting existing hydro generation
- **Section 7**: Enabling small and community scale wind and solar generation
- **Section 8:** Other issues – nationally consistent rules for new large-scale wind and solar, battery storage and 'use it or lose it' rules.

The proposals and options in Part B focus on key changes to some existing NPS-REG provisions, while retaining others. For example, there is no change proposed to Policy E2 relating to hydro-generation and the intent of the preamble in that policy statement relating to water allocation.

In relation to geothermal generation, feedback from industry indicates that the existing geothermal classification provisions in the Bay of Plenty and Waikato Regional Plans, are generally working well in practice to both protect and enable the use of geothermal systems. The provisions in the proposed National Policy Statement for Indigenous Biodiversity (NPS-IB) relating to geothermal Significant Natural Areas (SNA) also seek to enable these existing geothermal classifications systems to continue, subject to meeting certain considerations and requirements. There are no specific changes proposed to the status quo for geothermal generation.

Section 1: Recognising and providing for the national significance of renewable electricity generation

Problem statement

The NPS-REG 2011 was developed before New Zealand's targets for reducing emissions became law. Climate action is now urgent globally and domestically, and electrification of our economy is the most important enabler for decarbonising New Zealand's energy system.

The original intent of the existing national policy statement is now outdated given the way in which NPSs are now drafted, the approaches now taken by the courts, and the climate emergency. The policy direction in the NPS-REG therefore needs to be amended to support New Zealand's emissions reduction targets effectively, as discussed in the introduction to this consultation document[40].

Options

Option 1 (proposed)		Status quo
Stronger policy direction to recognise and provide for the national significance of renewable electricity generation	or	Existing provisions

Status quo

Even though the many of the matters in the existing NPS-REG are relevant (and are proposed to be retained), the existing provisions are weakly worded. For example:

- Policy B and Policy C1: "Decision-makers shall *have particular regard to* the following matters (…)"
- Policy C2: "(…), decision-makers *shall have regard to* offsetting measures or environmental compensation (…)"

Where wording is more directive, it is focused on directing decision-makers to include in their policy and planning documents objectives, policies, and methods rather than directing what those objectives and policies should be. For example:

- Policy E: "Regional policy statements and regional and district plans *shall include* objectives, policies and methods (including rules within plans) to provide for the development, operation, maintenance, and upgrading of new and existing renewable electricity generation (…) to the extent applicable to the region or district."

Option 1 (proposed)

We propose amending the NPS-REG and some associated implementation requirements. These amendments focus on:

[40] See the section 'Problems with the current national policy statements that need to be addressed' in the Introduction.

- Providing stronger, more directive policy direction to support a significant increase in REG to meet New Zealand's emissions reduction targets and emissions budgets.
- Providing for the critical role of renewable electricity generation in helping to address climate change and the significant harm that climate change is causing to the environment and the well-being of people and communities.
- Making sure that resource-management decisions give more weight to the national significance and benefits of renewable electricity generation and of responding to climate change alongside other locally, regionally, and nationally significant issues.
- Clarifying the meaning of "operational need" and "functional need"[41] in relation to the location of REG activities.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 4: Draft provisions for proposal.

Draft provisions
Objective: The Objective of this National Policy Statement is that electricity generated in Aotearoa New Zealand from renewable resources is significantly increased in a timely manner to achieve New Zealand's emissions reduction targets, emissions budgets, energy targets, and associated commitments under any emissions reduction plan: (a) through enabling the effective and efficient development, operation, maintenance, and upgrading of renewable generation assets; and (b) while managing adverse effects on the environment. **Policy 1**: The benefits of increasing renewable electricity generation at any scale are realised at a national, regional, and local level. **Policy 2**: Planning decisions: (a) recognise and provide for the national significance of REG activities; and (b) enable REG activities to occur in a timely and efficient way; and (c) recognise and provide for the operational and functional needs of REG assets.

[41] **functional** need means the need for a proposed activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment

operational need means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical, or operational characteristics or constraints

Policy 7: Reverse sensitivity effects on REG activities are avoided or mitigated where practicable.

Policy 8: The loss of renewable electricity generation output from a region or district is avoided to the extent practicable, unless it can be readily replaced in the region or district.

3.2 Consideration of national significance and benefits of renewable electricity generation

(1) When making decisions about REG activities, recognise and provide for:

(a) the national significance of renewable electricity generation; and

(b) the need to significantly increase renewable electricity generation in a timely manner; and

(c) the benefits of renewable electricity generation, which include all the following:

(i) avoiding, reducing, and displacing greenhouse gas emissions to help mitigate climate change and reduce its adverse effects on the environment and the well-being of people and communities:

(ii) using renewable rather than finite resources:

(iii) avoiding reliance on imported fuels for the purpose of generating electricity

(iv) contributing to the security, resilience, independence, and diversity of electricity supply at national, regional, and local levels:

(v) providing for the economic, social and cultural well-being of people and communities:

(vi) the reversibility of the adverse effects on the environment of some renewable electricity generation technologies.

3.3 Consideration of cumulative increases and losses in generation output

(1) When making decisions about REG activities, or other activities that may affect REG activities, decision-makers must recognise that in order to significantly increase renewable electricity generation output:

(a) the cumulative increase in renewable electricity generation output, at any scale and in any location, is important for achieving the objective of this National Policy Statement and should be enabled; and

(b) the cumulative effect of the loss of renewable electricity generation, at any scale and in any location, is detrimental to achieving the objective of this National Policy Statement and should be avoided to the extent practicable.

3.4 Consideration of operational and functional needs of REG assets

When considering the operational and functional needs of specific REG assets to be in a particular location, recognise and provide for the need for REG assets:

(a) to be located where a renewable resource is located and available; and

(b) to be accessible to electricity transmission or distribution networks; and

(c) to have sufficient land to support all associated current and future REG activities

Assessment

Effectiveness to support targets

The directiveness of the language in the proposal supports reductions in emissions and the accelerated electrification of the economy. This aligns with the ERP and the Government's priorities more closely than the status quo. This proposal will therefore more effectively address the issues identified in the current NPS-REG. The current NPS-REG provides some support for renewable electricity activities, but not enough to enable the scale and pace of renewable electricity generation that New Zealand needs.

Environmental outcomes

While the scope of the proposal does not explicitly provide for environmental co-benefits, it does not preclude this to occur in practice through design, consenting, environmental management and implementation. The proposal provides for positive environmental outcomes with respect of reducing emissions which will benefit the natural environment over time. The assessment and appropriate management of environmental effects will continue to be undertaken and will be clarified through other provisions below.

Te Tiriti o Waitangi

The intent is that this proposal will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. The proposal seeks to strengthen policy direction for REG without undermining existing provisions and protections for Māori interests in national direction, RMA plans, consenting processes Mana Whakahono ā Rohe, and other legislation such a settlement legislation.

Consenting efficiency and certainty

The increased specificity in the proposal in relation to consenting processes will provide greater certainty for developers and decision makers as to the weight that should be given to REG. By contrast, retaining the status quo risks entrenching barriers to the increased scale of REG development needed to meet emissions reduction budgets and targets. Implementation guidance and central government support are intended to provide further efficiencies once the amendments are gazetted, although this will need to be adequately resourced and funded.

Overall assessment

Overall, the preferred option is considered better than the status quo as it provides greater certainty for developers and decision-makers. This includes the legal weighting of REG in planning decisions, while retaining processes to appropriately identify and address environmental and cultural effects. By contrast, retaining the status quo risks retaining a planning framework that is a barrier to the development of renewable electricity generation.

Table 5: Assessment of options.

Criteria	Status quo	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	0
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

1. Questions on recognising and providing for the national significance of renewable electricity generation
1.1. To what extent do you agree with the problem statement for this section?
1.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
1.3. Are there other benefits from REG activities that have not been identified?
1.4. Are there any relevant provisions from the existing NPS-REG that in your view should be retained?
1.5. Please provide any evidence or examples to support your view.
1.6. Please provide any comments about this section.

Section 2: Enabling renewable electricity generation in areas with significant environment values

This section relates to 'areas with significant environment values', which in this document and the proposed NPS drafts means the following matters of national importance that are identified in section 6 of the RMA:

Coastal environment only

- areas with natural character

Within and outside the coastal environment

- outstanding natural features and landscapes
- areas with historic heritage, including sites of significance to Māori and wahi tapu
- indigenous biodiversity and SNAs.[42]

Areas with significant freshwater values, including natural inland wetlands and rivers, and reconsenting existing hydro-generation projects are subject to specific policies and rules in the National Policy Statement for Freshwater Management 2020 (NPS-FM) and National Environmental Standards for Freshwater 2020 (NESF) and are discussed separately in section 6.

Potential conflicts with the relationship of Māori with their taonga is addressed in section 4.

Problem statement

Analysis commissioned by MBIE in 2021[43] and feedback from REG developers during previous consultation[44] is that conflicts between larger-scale REG activities and areas with 'significant environment values' is inevitable, and interactions between national directions is an important issue for delivering the required scale of REG under the RMA.

The NPS-REG provides no policy direction on how interactions and conflicts between REG activities and significant environment values should be addressed. That policy statement was originally drafted on the basis that renewable electricity generation would be given sufficient weight under the 'overall broad judgement' approach which involved decision-makers considering whether a proposal achieved the overall purpose of the RMA.

However, the courts later decided that the overall broad judgement approach is incorrect when the relevant planning documents address the relevant matters. The electricity sector has raised concerns that some REG projects are being precluded from the outset where they may have more than minor effects on areas with significant environment values and the relevant planning provisions require the avoidance of effects on these areas.

Section 6(f) of the RMA also requires decision makers to recognise and provide for the protection of historic heritage from inappropriate subdivision, use, and development as a matter of national

[42] **significant natural area** means an area identified in a regional policy statement or plan as an area of significant indigenous vegetation or significant habitat of indigenous fauna, following an assessment by a suitably qualified ecologist using ecological significance criteria

[43] 4Sight (2021) National direction on renewable electricity – Case Studies Report. Commissioned by MBIE.

[44] MBIE (2019). *Accelerating renewable energy and energy efficiency*. Consultation document.

importance. Historic heritage is defined broadly in the RMA and includes sites of significance to Māori and wāhi tapu.

While there is less evidence, historic heritage is acting as a consenting barrier to REG projects, the intent of these options is focused on providing a consistent approach to section 6 matters when managing the adverse effects of REG and ET projects on historic heritage. It is also considered best practice for REG projects to include an assessment on heritage values (including archaeology)[45], which include sites of significance to Māori.

In relation to other national direction instruments, the New Zealand Costal Policy Statement 2010 (NZCPS) is the most directive and presents the most obvious conflict with the proposed REG policies. The jurisdiction of the NZCPS includes both the coastal marine area (territorial sea out to 12 nautical miles) and the inland coastal environment which requires local authorities to define its extent. This can range from 500m to 5km from the shoreline based on reviewing a few local authority plans, although in most cases is not likely to much further than 1km from the shoreline.

Conflicts arising from the NZCPS are at the heart of King Salmon case law, primarily as the NZCPS includes directive policy direction with "avoid" policies in relation to specific indigenous biodiversity, outstanding natural character and outstanding natural features and landscapes in the coastal environment. Although the case law has been most public regarding aquaculture activities, there are areas of New Zealand with strong renewable energy resources in the coastal environment (particularly wind), and it is an important area to consider for the appropriateness of REG projects.

As part of this consultation, we are currently not proposing for the consenting pathway to prevail over other relevant provisions in the NZCPS. The NPF to be developed under the Natural and Built Environment Act provides an opportunity to explore this in a more comprehensive and integrated manner, including through appropriate discussion with iwi/Māori given their special interest in the coastal environment.

The NPF will include national direction on infrastructure that is also enabling of REG and may be a more suitable alternative for addressing conflicts between NPS-REG and the NZCPS. We are seeking feedback on whether the consenting pathway proposed in any of the options could achieve efficient and effective practical delivery of the policy intent if broadly applied to REG activities in the coastal environment, including those currently protected by the "avoid" policies.

Options

We have identified two main options for addressing the problem identified above. These options are intended to provide a clear, nationally consistent 'consenting pathway' for REG projects that direct how to assess and manage interactions with and effects on areas with significant environment values.

By 'consenting pathway' in this context, we mean a set of requirements a REG project must undertake and meet as part of a consent application. The pathway involves gateway tests – thresholds a project must meet to progress further – and use of the effects management hierarchy (EMH), which are the collective steps a project needs to go through to manage adverse effects in a sequential manner.

[45] Wind farm development in New Zealand: A framework for best practice (2013): New Zealand Wind Energy Association

Both options involve policy direction requiring decision-makers to recognise that meeting New Zealand's emissions reduction targets and emissions budgets requires the development of some REG projects that have unavoidable adverse effects on areas with significant environment values, and that REG needs to be provided for in appropriate circumstances, so long as environmental effects are managed as set out in the consenting pathway.

The 'standard' EMH (option 1) and REG-specific EMH (option 2) are set out below. The primary difference between the options is the final step (f) of the EMH, enabling the benefits and positive effects of the REG activity to be weighed against its adverse effects as further described below. Options 2A and 2B are the preferred options and are included in the proposed NPS-REG drafts released alongside the consultation.

Option 1: Standard effects management hierarchy		**Option 2: REG-specific effects management hierarchy**						**Status quo**
		Option 2A (proposed)		**Option 2B (proposed)**		**Option 2C**		
Requirement to avoid REG activities when there are more than minor residual adverse effects on any significant environment value	**or**	Requirement to avoid REG activities when there are significant residual adverse effects on any significant environment value	**or**	Requirement to avoid REG activities when there are significant residual adverse effects on SNAs	**or**	No requirement to avoid REG activities when there are significant residual adverse effects	**or**	No new provisions

Status quo

There are no provisions in the NPS-REG that direct decision-makers on managing adverse effects on significant environment values. The preamble acknowledges these interactions but provides no direction on how they should be managed:

> *In some instances, the benefits of renewable electricity generation can compete with matters of national importance as set out in section 6 of the Act, and with matters to which decisionmakers are required to have particular regard under section 7 of the Act. In particular, the natural resources from which electricity is generated can coincide with areas of significant natural character, significant amenity values, historic heritage, outstanding natural features and landscapes, significant indigenous vegetation and significant habitats of indigenous fauna. There can also be potential conflicts with the relationship of Māori with their taonga and the role of kaitiaki. The New Zealand Coastal Policy Statement 2010 also addresses these issues in the coastal environment. Increased national consistency in addressing the competing values associated with the development of New Zealand's*

renewable energy resources will provide greater certainty to decision-makers, applicants, and the wider community.

Section 6 of the RMA requires that areas of significant environment values are protected from inappropriate subdivision, use and development. National direction is a tool that has been used to further substantiate what this means for specific matters, but its extent of use has been variable and does not provide for all Section 6 matters.

The NZCPS (2010) provides for all significant environment values in the coastal environment. The proposed NPS-IB[46] provides for SNAs within and outside of the coastal environment.

There is no national direction to provide for outstanding natural features and landscapes outside the coastal environment, or for historic heritage. Methods to protect these matters have instead generally been developed through a combination of local authority RMA plans and case law.

The varied approach to providing for significant environment values has made it difficult to consent activities that may need to be located in these environments, particularly REG activities such as windfarms that can be highly visible and therefore may affect matters such as outstanding natural landscapes.

While there would be no new provisions to help assist conflict resolution under the status quo, it is considered that REG activities would otherwise be further enabled through more directive policy direction in other sections of Part B of this consultation document.

<u>Option 1 – Standard effects management hierarchy</u>

Option 1 provides a 'standard' EMH for REG projects with adverse effects on significant environment values. By 'standard', we mean an EMH used in other NPSs such as the NPS-FM, the proposed NPS-IB and that used in the NBE Bill.

This introduces the EMH approach to managing adverse effects on natural character (in the coastal environment), significant natural areas, outstanding natural features and landscapes, and areas with historic heritage (including sites of significance to Māori and wāhi tapu).

The standard EMH is used in the NPS-FM and proposed NPS-IB. The standard EMH includes steps to ensure that all practicable steps have been taken to avoid, minimise or remedy, and (if applicable) offset and compensate for those adverse effects (in that order).

Section 6 of the RMA includes matters such as natural character in the coastal environment, outstanding natural features and landscapes, and historic heritage, and requires that these matters are protected from inappropriate subdivision, use and development. Using the EMH approach for adverse effects on such areas helps to provide policy direction that REG projects may be an appropriate use and development.

What is 'appropriate' is highly context-specific and must be considered in the relation to the values that are sought to be protected. 'Appropriateness' could be assessed in terms of the capacity of the landscape to absorb the change, the significance of the resource for electricity generation, the

[46] Exposure draft, June 2022

extent of outstanding landscape coverage within the relevant district or region, and the particular landscape values that are sought to be protected.[47]

Gateway tests

Three "gateway tests" based on those used in the proposed NPS-IB would need to be met prior to sequencing through the EMH to manage adverse effects:

- it provides significant national or regional public benefit; and
- there is a functional or operational need for the new use or development to be in that particular location[48]; and
- there are no practicable alternative locations for the new use, or development.

Coastal environment

Option 1 relies on the provisions in the NZCPS, particularly Policies 11, 13 and 15 relating to indigenous biodiversity, natural character, and natural features and landscapes respectively. Each of these policies contain a "avoid" requirement for specific indigenous biodiversity, outstanding natural character, and outstanding natural features and landscape, which will not be affected by this option.

Each of these policies also has an "avoid significant adverse effects" requirement in relation to other indigenous biodiversity, natural character, and natural feature and landscapes. The standard EMH in Option 1 provides more specific direction to this requirement.

Indigenous biodiversity

Option 1 aligns with relevant provisions in the proposed NPS-IB including the same three gateway tests and general wording of the EMH.

Given the purpose of the standard EMH in Option 1 is that it applies to multiple significant environment values, the only notable difference is that it provides reference to relevant offsetting and compensation principles in a way that applies more broadly according on what is being managed. In some cases, this could provide greater flexibility for offsetting and compensation and how the relevant principles are to be considered and used (particularly when an activity must be avoided because offsetting or compensation is inappropriate).

The implication here is that the principles for offsetting and compensating in the proposed NPS-IB includes 'limits' to when offsetting and compensation are appropriate. The circumstances where offsetting and compensation are not appropriate include when the proposal would affect irreplaceable or vulnerable indigenous biodiversity; when the effects on indigenous biodiversity are uncertain, unknown, or not well understood but are potentially significantly adverse or when there

[47] *Environmental Defence Society Incorporated v The New Zealand King Salmon Company Limited & Ors* - [2014] NZSC

[48] **functional** need means the need for a proposed activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment

operational need means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical, or operational characteristics or constraints

are no technically feasible options to secure the proposed gains to biodiversity within an acceptable timeframe.[49]

However, as direction is noted as "have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement" we expect that a strong argument would be required to depart from any defined principles in other instruments, such as the proposed NPS-IB in the above example.

Outstanding natural features and landscapes, and historic heritage

For matters relating to outstanding natural features and landscape, and areas of historic heritage (including sites of significant to Māori and wāhi tapu) outside the coastal environment, there is no existing or proposed national direction that needs to be aligned with, therefore the standard EMH proposed in Option 1 is a new way of managing adverse effects in these areas.

This option includes a recognition that there are some examples where REG projects are located in landscapes with outstanding natural landscape values (for example, Project West Wind in Mākara). This provides a pathway for similar outcomes to be achieved in future, enabling the necessary increase in renewable electricity generation output to meet emissions reduction targets.

In summary, Option 1 introduces a consenting pathway for REG projects that have adverse effects on outstanding natural features and landscapes, and historic heritage outside the coastal environment. Option 1 provides further direction and standardisation for managing adverse effects on natural character in the coastal environment and SNAs (within and outside of the coastal environment).

<u>Option 2 – REG specific effects management hierarchy</u>

Option 2 expands on Option 1 by proposing a REG-specific EMH for consideration of REG projects with adverse effects on significant environment values. The standard EMH outlined in Option 1 is followed but with variation, described below, to be more enabling of REG projects. This option recognises that REG is a key means of mitigating the adverse effects on these values caused by climate change. However, it has three main differences – the practicable alternatives locations gateway test, how offsetting is considered, and a balanced judgement on positive vs adverse effects.

Practicable alternative locations test

The practicable alternative location gateway test in Option 1 is removed. The requirement to demonstrate that there are no practicable alternative locations can be particularly challenging for REG and the removal of this test provides greater flexibility for REG activities.

Using wind and solar generation as an example, difficulties in applying this test is that the resource is widely distributed throughout New Zealand, meaning it is easy to argue there is always another 'practicable alternative location'. Also, the scale of new generation required to meet energy and climate targets, and the role of wind and solar in meeting these targets, is expected to make it harder to find 'practicable alternative locations' that completely avoid areas with significant environment values over time.

[49] The reasons for these limits to biodiversity offsetting and biodiversity in the proposed NPSIB primarily relate to strong evidence on ongoing decline and evidence that offsetting and compensation do not always achieve successful outcomes in relation to indigenous biodiversity.

Further, Schedule 4 of the RMA already requires a description of any possible alternative locations or methods for undertaking any activity (including REG) if it is likely this may result in any significant adverse effects on the environment. Although this RMA requirement is not as absolute as the gateway test, it still provides for consideration of alternatives when significant adverse effects are apparent.

Possible vs practicable offsetting of more than minor residual adverse effects

The standard EMH sets out consideration of whether offsetting of more than minor residual effects is "possible", whereas Option 2 amends this consideration to being "practicable". This better aligns with the prior steps in the EMH and provides more flexibility by narrowing considerations to those that are practicable instead of what could be more broadly applied when considering what is possible.

Weighing of positive vs. adverse effects

Under Option 1, the application of the standard EMH essentially employs a "no more than minor adverse effects" regime in relation to its final direction on "avoiding" adverse effects, i.e. more than minor residual adverse effects must be avoided if it is not possible to offset or appropriate to compensate for adverse effects. No weighing of positive versus adverse effects is possible to overcome more than minor residual adverse effects.

Although an assessment of effects under Section 104 of the RMA already requires consent authorities to have regard to both positive and adverse effects, consideration of positive effects is constrained in the standard EMH which ends with a hard "avoid" if compensation is not appropriate at the last stage.

Option 2 does allow the weighing of positive vs. adverse effects with each variation, A, B and C, allowing this to occur to different degrees. Option 2 requires the decision-maker to account the benefits of the REG activity in reaching a final decision.

Options 2A and 2B have some specific limits on when REG activities can be enabled, by increasing the avoidance of effects threshold from "no more than minor" to "significant". This offers further mitigation in cases where neither offsetting nor compensating may be practicable or appropriate after all other parts of the hierarchy (avoid/minimise/remedy) have been worked through. Option 2C does not have such a threshold.

The three sub-options in the final step (f):

- Option 2A requires REG activities to be avoided if the residual adverse effects on all significant environmental values are significant. For other effects, the benefits of the REG activities can be weighed against their residual adverse effects and the REG activity enabled when the benefits are greater.
- Option 2B requires REG activities to be avoided if the residual adverse effects on significant natural areas (SNAs) only are significant. For other values, the benefits of the REG activities can simply be weighed against their residual adverse effects and the REG activity enabled when the benefits are greater.

- Option 2C does not require REG activities to be avoided if the residual adverse effects on any significant environment values are significant. Instead directing a decision that the benefits of the REG activities can simply be weighed against their residual adverse effects and the REG activity enabled when the benefits are greater.

Option 2B is focussed on section 6(c) of the RMA, which requires more absolute protection of section 6 matters, compared with the wording of other values in section 6 requiring protection from 'inappropriate' subdivision, use and development.

Option 2C does not provide any specific policy direction requiring REG activities to be avoided if there are residual significant adverse effects on any areas with significant environment values (including SNAs) after applying the EMH. Instead, it provides consent authorities with direction to weigh the benefits of a REG proposal against the residual adverse effects on areas with significant environment values and provide direction for decision-makers to enable REG activities when the benefits outweigh those adverse effects.

In summary, Option 2 proposes three key changes to Option 1 –

1. removal of the practicable alternatives gateway test
2. how offsetting is considered
3. weighing of positive versus adverse effects at the final step (f) of the EMH, instead of ending in a hard "avoid".

This still allows decision-makers to decline consent when there are residual significant adverse effects on areas with significant environment values, albeit there are differing levels of discretion when determining this decision as part of the assessment.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback. As the preferred options at this stage, draft provisions for Options 2A and 2B are included in the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Provisions in Option 1 in *italics* are removed or amended for Option 2. Provisions in Option 2 (and sub-options 2A and 2B) in **bold** are those amended from Option 1. Options 2 and 2A are presented in the proposed NPS-REG.

Draft provisions

Policy 4: It is recognised that REG activities may need to take place in areas with significant environment values and, where adverse effects remain after applying the effects management hierarchy, REG activities are enabled if the national significance and benefits of the REG activities outweigh those remaining adverse effects.

Standard effects management hierarchy (Option 1)

1. Allow REG activities in areas with significant environment values only if:
   a. there is an operational or functional need for REG assets to be located in the area; and
   b. the REG activities are nationally or regionally significant; and
   c. there are no practicable alternative locations for the new use, or development; and
   d. the effects management hierarchy is applied.

2. The effects management hierarchy is as follows:
   a. adverse effects are avoided where practicable; then
   b. where adverse effects cannot be avoided, they are minimised where practicable; then
   c. where adverse effects cannot be minimised, they are remedied where practicable; then
   d. where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable; then
   e. if offsetting of more than minor residual adverse effects is not *possible*, compensation is provided; then
   f. if compensation is not appropriate to address any residual adverse effects, *the activity itself is avoided.*

3. When considering offsetting and compensation, decision-makers must have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other nationally or internationally recognised principles.

REG specific effects management hierarchy (Option 2A)

1. Allow REG activities in areas with significant environment values only if:
   a. there is an operational or functional need for REG assets to be located in the area; and
   b. the REG activities are nationally or regionally significant; and
   c. the effects management hierarchy is applied.

2. The effects management hierarchy is as follows:
   a. adverse effects are avoided where practicable; then
   b. where adverse effects cannot be avoided, they are minimised where practicable; then
   c. where adverse effects cannot be minimised, they are remedied where practicable; then
   d. where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable; then
   e. if offsetting of more than minor residual adverse effects is not **practicable**, compensation is provided; then
   f. if compensation is not appropriate to address any residual adverse effects:
      i. the REG activities must be avoided if the residual adverse effects are significant; but
      ii. REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.

3. When considering offsetting and compensation, decision-makers must have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other nationally or internationally recognised principles.
Option 2B
f. if compensation is not appropriate to address any residual adverse effects: **i. in the case of REG activities with adverse effects on SNAs, the REG activity must be avoided if the residual adverse effects are significant; but** **ii. REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.**
Option 2C
f. if compensation is not appropriate to address any residual adverse effects, **REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.**

Assessment of options

Effectiveness to support targets

All options would be more effective to support targets than the status quo, with strength in how well they enable REG activities increasing from Option 1 to Option 2C. The key limitation for supporting targets in all options is that we are not proposing any amendments to the "avoid" policies in the NZCPS, therefore such areas are likely to remain more challenging areas for the purpose of REG activities.

Option 1 will be effective in addressing the issues identified in relation to outstanding natural features and landscapes (outside of the coastal environment) and areas of historic heritage by introducing a consenting pathway to deal with any interactions from proposed REG activities. This may assist some terrestrial wind farm projects outside of the coastal area, particularly their visual effects if located near or in outstanding landscapes.

Allowing the weighing of benefits and adverse effects in Option 2 best addresses the 'overall broad judgement' issue which resulted from the *King Salmon* decision discussed in Section 1, not made possible under Option 1, while also providing a clear policy framework and effects management hierarchy to weight benefits and residual adverse effects. Option 2 provides the most balanced approach by allowing some weighing of benefits against adverse effects, with direction to avoid significant effects – and is considered to further contribute to supporting emissions reduction and energy targets.

Environmental outcomes

While it is important for developers to seek to manage impacts on significant environment values, REG activities by their nature can often not practicably avoid these areas and are different from other forms of infrastructure that are generally located close to or connect urban areas. Because of this, it is plausible that many REG activities would be declined (or not put forward due to low likelihood of success) under the status quo.

The gateway tests for all options offer initial protection for areas with significant environment values. Projects that cannot meet these tests will be unlikely to be able to locate in these environments, thus avoiding effects in these areas.

Option 1 provides for the greatest levels of environmental protection for areas with significant environment value, due to its alignment and consistency with the NZCPS and proposed NPSIB. Option 2 seeks to recognise that addressing adverse climate change effects through REG deployments can indirectly protect environmental values such as indigenous biodiversity and outstanding natural landscapes. Therefore, a more enabling pathway for REG activities compared to other specified infrastructure should be considered.

While being less protective than Option 1, Option 2 still provides a robust and consistent approach to managing environmental effects. Adverse effects must be managed in accordance with a sequential hierarchy that prioritises avoidance of adverse effects in the first instance. The intent of the modifications is to provide a pathway for REG activities to be considered after applying the hierarchy. It is only when dealing with residual effects after that whole process, that a weighting exercise is applied. The residual weighting of effects against benefits reflects case-specific importance and effects of REG and reducing New Zealand's GHG emissions.

Option 2A has greater environmental protections built in than Option 2B and 2C, requiring significant adverse effects to be avoided on all areas with significant environment values, as opposed to only on SNAs (option 2B), or none (option 2C).

Te Tiriti o Waitangi

The existing NPS-REG does not provide direction on how to resolve interactions and potential tensions between the national significance and benefits of REG activities and the protection of historic heritage including for sites of significance and wāhi tapu. All options add more explicit direction to give particular consideration to the protection of historic heritage.

Options 1 and 2A is considered most consistent with the principles of te Tiriti o Waitangi and Part 2 of the RMA, compared to the status quo where no direction is provided. Although Options 2B and 2C do not provide any extra protection for significant adverse effects on historic heritage in the final step of the EMH, this policy direction will also need to be considered alongside the direction for Māori interests in Section 4 of Part B. This requires that sites of significance to Māori are dealt with in a way that provides for the significance of the site. In addition, these options still allow an REG activity to be avoided when there are significant adverse effects.

Consenting efficiency and certainty

All three options provide more certainty than the status quo for iwi/Māori, local authorities, and developers regarding how effects should be managed in relation to significant environment values. Option 1 will increase certainty for developers and local authorities to direct development away from these areas. By providing a streamlined consenting pathway approach for REG activities, this will reduce the need for consent applicants to "sift through" and interpret multiple different provisions across multiple instruments for each type of effect. This provides more certainty in the consenting process as with the consenting outcome.

Overall assessment

All options will improve the consenting process for REG projects that impact on significant environment values. Option 1 provides greater certainty to direct development away from areas

with significant environment values and provides some enabling direction for REG in relation to landscapes outside the coast and historic heritage. However, there is a risk it may not be effective to support the required increase in REG. Option 2 will be more effective to support emission reduction and energy targets and improve consenting efficiency by proposing a more enabling REG specific EMH while ensuring significant adverse effects on significant environment values are avoided (to various degrees as provided in the sub-options 2B and 2C). Option 2C will most effectively support emission reduction targets but creates greater potential for significant adverse effects on significant environment values and therefore risk increased litigation in final consent decisions.

Table 6: Assessment of options.

Criteria	Status quo	Option 1	Option 2A	Option 2B	Option 2C
Effectiveness to support targets	0	0	+	++	++
Environmental outcomes	0	++	++	+	x
Te Tiriti o Waitangi	0	+	+	0	0
Consenting efficiency and certainty	0	+	+	+	+
Overall assessment	0	+	++	++	+

2. Enabling renewable electricity generation in areas with significant environmental values

2.1. To what extent do you agree with the problem statement for this section?

2.2. Are you aware of specific problems with the assessment of alternatives through consenting processes under the RMA? Is there a way to specify how practicable alternatives should be assessed? How could the assessment be locationally constrained (for example, within a region or district; or within a specific distance from the proposed point of connection)?

2.3. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?

2.4. Please rank the options in order of preference (Option 1, Option 2A, Option 2B, Option 2C or status quo).

2.5. In your view, does the effects management hierarchy for REG in option 2 work for all significant environment values?

2.6. To what extent do you agree that the terrestrial coastal area should be a key area for future REG development potential?

2.7. To what extent do you agree that the New Zealand Coastal Policy Statement poses particular challenges for consenting REG activities onshore in the coastal environment?

2.8. Please provide any evidence or examples to support your view.

2.9. Please provide any comments about this section.

Section 3: Enabling renewable electricity generation in other areas including where there are effects on local amenity values

Problem statement

Under the RMA, decision-makers are required to have particular regard to[50] maintaining and enhancing amenity values[51]. RMA plans typically include policies that give effect to that requirement, especially in rural areas where REG such as wind and solar is often located.

There is a risk that plan provisions giving effect to that requirement are interpreted to mean that any change to the status quo might be seen as an adverse effect on amenity values. The public nature of large-scale generation projects means these can attract significant opposition based on adverse effects on amenity values.

The preamble of the NPS-REG recognises the potential for renewable electricity generation activities to 'coincide' with areas that have 'significant amenity values', but that policy statement does not include any provisions to help resolve any conflict. This falls short of the direction recommended by the Board of Inquiry on an earlier version of the NPS-REG in March 2010. The Board stated: "*When addressing local environmental values,* the national significance of the proposed REG activity and its benefits should be given greater weight than the adverse effects on the amenity values of the proposed site and surrounding area."

Currently greater weight can be afforded to amenity values than the benefits and national significance of REG because of the relative strength of the wording on these issues in plans.

Options

Option 1 (proposed)		**Status quo**
In areas that are not areas with significant environment values, enable REG activities provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable	**or**	No provisions

[50] Section 7(c) of the Resource Management Act.

[51] Defined in the RMA as those natural or physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes. We are seeking feedback in the questions on whether amenity values sufficiently captures the key local adverse effects associated with REG projects (i.e. excluding significant natural values and Māori interests addressed by other policies).

Status quo

As outlined in Section 2, there are no provisions in the NPS-REG that direct decision-makers on this issue. The preamble acknowledges these interactions but provides no direction on how they should be managed.

Option 1 (proposed)

The proposal seeks to provide a more consistent and more certain outcome for REG projects where these affect local amenity values to better reflect the national significance of, and priority for, these projects in RMA decision-making. This would be achieved through new policy direction in the NPS-REG to:

- Require decision-makers to prioritise the national significance of REG over local amenity values where it is not practicable to avoid adverse effects on local amenity values and unavoidable effects are 'minimised where practicable'.
- Demonstrate that changes in local amenity from REG projects in both urban and rural environments:
    - May detract from local amenity values appreciated by some people but may result in positive visual effects for other people;
    - Have wider benefits to the well-being of people and communities, including future generations; and
    - Are not, of themselves, an adverse effect[52].
- Achieve more consistent understanding and application of nationally accepted standards (e.g., NZS 6808:2010 Acoustics - Wind farm noise) and best practice (siting, design, mitigation etc.) when considering and managing adverse effects of REG projects. Best practice guidance for REG projects is discussed further in Part E of this document.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

[52] This policy direction is consistent with Policy 6(b) of the NPS-UD.

Table 7: Draft provisions for the proposal.

Draft provisions
Policy 5: In areas that are not areas with significant environment values, REG activities are enabled provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable. **3.7 Managing effects of REG activities that are not in areas with significant environment values** (1) In relation to areas that are not areas with significant environment values, decision-makers must enable REG activities but must avoid, remedy, or mitigate adverse effects of the REG activities on the values of the area, including any local amenity values, to the extent practicable. (2) When considering changes in local amenity values from REG activities, decision-makers must recognise that changes in amenity values are not, of themselves, an adverse effect, and that: (a) changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and (b) the changes are likely to have wider benefits to the wellbeing of people and communities, including future generations.

Assessment

Effectiveness to support targets

Clarification that the national significance of REG is prioritised over local amenity values where there is conflict as REG supports reductions in emissions and the accelerated electrification of the economy. This aligns with the ERP and the Government's priorities more closely than the status quo. This option will therefore more effectively address the issues identified in the current NPS-REG.

Environmental outcomes

The clearer prioritisation of REG over amenity values will provide environmental benefits now and in our future by increasing REG projects in areas with amenity values, relieving pressure on sites with significant natural environment values. REG projects will still need to mitigate effects on amenity to a practicable extent ensuring projects are well sited and designed.

Te Tiriti o Waitangi

The intent is that this proposal will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. The proposal seeks to strengthen policy direction for REG without undermining existing provisions and protections for Māori interests. Separate proposals

further in this consultation document will address sites valued for their amenity that also provide for Māori interests.

Consenting efficiency and certainty

The proposal will provide more clarity and certainty for applicants and councils in relation to the prioritisation of REG over amenity values. By contrast, retaining the status quo risks entrenching barriers to the increased scale of REG development needed to meet emissions reduction budgets and targets.

Overall assessment

The proposal provides clear direction that the national significance of REG takes priority over local amenity values where there is a conflict, while still ensuring that adverse effects on amenity values are mitigated where practicable.

The proposal would therefore address existing problems while ensuring that adverse effects on local amenity values are not ignored completely. That would ensure that the policy change would not result in bad practices and significant adverse effects on surrounding properties.

Retaining the status quo would not resolve the current problems we have identified.

Overall, the preferred option is considered to be better than the status quo as it provides greater clarity regarding the legal weighting of REG in relation to amenity values in planning decisions.

Table 8: Assessment of options.

Criteria	Status quo	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	+
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

3. Enabling renewable electricity generation in other areas, including areas with amenity values

3.1. To what extent do you agree with the problem statement for this section?

3.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?

3.3. Please provide any evidence or examples to support your view.

3.4. Please provide any comments about this section.

Section 4: Recognising and providing for Māori interests

The principles of Te Tiriti o Waitangi impose on the Crown a positive duty to protect Māori property interests and taonga. As part of the Crown, the Ministry for Business, Innovation and Employment and the MfE therefore have a duty to ensure that any amendments to resource management policies on REG and ET are consistent with the principles of Te Tiriti.

Sections 2 (in relation to REG) and 10 (in relation to ET) focus on how REG and ET activities should be considered alongside the protection of historic heritage including wahi tapu and sites of significance to Māori from inappropriate subdivision, use and development.

Problem statement

The current NPS-REG and NPS-ET do not refer to the principles of Te Tiriti o te Waitangi or Te Ao Māori. There is also no direction in those NPS on how to resolve interactions and potential tensions between the national significance and benefits of REG and ET activities, the relationship of Māori with their ancestral lands, sites and other taonga, and the protection of historic heritage from inappropriate development.

This contrasts with more recent national directions under the Resource Management Act. These usually refers specifically to engaging with tangata whenua and to providing for the kaitiaki role of tangata whenua and Māori cultural value, in addition to providing for other RMA matters of national importance.

The importance of recognising and providing for Māori interests under the RMA is outlined in the following sections of that Act:

a. Section 6(e) - Recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga as a matter of national importance;

b. Section 6(g) - Recognise and provide for the protection of protected customary rights as a matter of national importance;

c. Section 7(a) – Have particular regard to kaitiakitanga[53]

d. Section 8 – Take into account the principles of the Treaty of Waitangi.

Amendments to the NPS-REG and NPS-ET to better enable REG and ET projects are intended to ensure they don't undermine existing provisions and protections for historical and cultural values in other national directions under the RMA, in lower order plans, and in consenting processes.

[53] Defined as meaning the exercise of guardianship by the tangata whenua of an area in accordance with tikanga Maori in relation to natural and physical resources; and includes the ethic of stewardship

Options

Option 1 (proposed)		Status quo
Introduce policy direction to recognise and provide for Māori interests in relation to REG and ET activities, including through early engagement, protection of sites of significance, and enabling small/community scale REG	**or**	No provisions

Status quo

As outlined in Section 2 and in the problem statement above, the current NPS-REG does not refer to the principles of te Tiriti o Waitangi or te Ao Māori. There is also no direction in those NPS on how to resolve interactions and potential tensions between the national significance and benefits of REG and ET activities, the relationship of Māori with their ancestral lands, sites and other taonga.

These options aim to clarify and provide for the management of adverse effects from REG and ET projects on Māori interests.

Option 1 Introduce policy direction to recognise and provide for Māori interests (proposed)

The proposal seeks to provide a more consistent and more certain consenting process for REG and ET projects that affect Māori interests. The intent of the proposal is to:

- Consider opportunities for early, meaningful engagement with tangata whenua.
- Ensure activities on or near sites of significance to tangata whenua are undertaken in an appropriate manner.
- Enable small and community scale REG to provide for Māori aspirations.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 9: Draft provisions for the proposal

Draft provisions
Policy 3: Māori interests in relation to REG activities are recognised and provided for, including through early engagement, protection of sites of significance, and through enabling small and community-scale REG activities. **3.5 Recognising and providing for Māori interests in relation to REG activities** When making decisions about REG activities, recognise and provide for Māori interests, including through: (a) early engagement with tangata whenua in a way that is meaningful and, as far as practicable, in accordance with tikanga Māori; and (b) ensuring that REG activities on or near sites of significance to tangata whenua (including wahi tapu) are undertaken in a way that provides for the significance of the sites; and (c) supporting tangata whenua to realise their aspirations by enabling small and community-scale REG activities.

Assessment

Effectiveness to support targets

Amendments to the NPS-REG and NPS-ET will need to be designed to ensure they do not undermine existing provisions and protections for Māori interests in national direction, lower order plans, and consenting processes. Option 1 supports meeting NZ's renewable electricity and emissions reduction targets in a way that meets the principles of te Tiriti o Waitangi and Part 2 of the RMA.

Environmental outcomes

The option seeks to provide a more consistent and certain consenting process in relation to REG and ET projects where these impact on historical and cultural values. Option 1 provides specifically for special consideration of Māori interests, which may also overlap environmental outcomes.

Te Tiriti o Waitangi

The NPS-REG and NPS-ET do not reference the principles of te Tiriti o Waitangi or te Ao Māori. The proposal seeks to add more explicit direction that is consistent with the principles of te Tiriti o Waitangi and Part 2 of the RMA, compared to the status quo where these relationships and obligations are not referenced.

Consenting efficiency and certainty

As the proposal is adding explicit direction compared to the status quo, it will provide consenting efficiencies and certainty for iwi/Māori, local authorities, and developers in how to manage adverse effects on Māori interests, and for increased consideration of early engagement opportunities and acknowledgement of tangata whenua as kaitiaki.

Overall assessment

Option 1 is considered to be better than the status quo as it provides explicit direction and consideration of how to address potential adverse effects on Māori interests. The status quo in terms of the existing policy direction in the NPS-REG and NPS-ET provides no such direction.

Table 10: Assessment of options.

Criteria	Status quo	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	+
Te Tiriti o Waitangi	0	+
Consenting efficiency and certainty	0	+
Overall assessment	0	+

4. Recognising and providing for Māori interests in relation to REG activities

4.1. To what extent do you agree with the problem statement for this section?

4.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?

4.3. Please provide any evidence or examples to support your view.

4.4. Please provide any comments about this section.

Section 5: Upgrading and repowering existing wind and solar generation

This section discusses options for improved policy direction in the NPS-REG and a new NES for upgrading and repowering existing REG, with the preferred options focusing specifically on wind and solar repowering.

Key terms 'upgrading', and 'repowering' are used in the following ways:

- '**Upgrading**' refers to increasing the output of existing REG activities through changes in technology and infrastructure.
- '**Repowering**' is a specific type of upgrade that involves comprehensively replacing generation components with new ones – for example, replacing all the turbines at a wind farm at the end of its operational life[83]. Repowering is typically associated with wind generation but will also be relevant for solar farms as more of them are developed.

The nature and scale of an upgrade depends on the type of generation, the technology, and how the asset is managed. Some upgrading projects can increase output without a noticeable difference in the scale and nature of the effects on the surrounding environment. More substantial upgrades can significantly change the nature or increase the scale of the infrastructure and therefore of its environmental effects.

Problem statement

The upgrading of existing generation sites provides an opportunity to increase generation output efficiently using the existing infrastructure within the same or similar environmental footprint. This will generally result in fewer significant adverse environmental effects than developing a new REG site and activity (for example, replacing existing wind turbines with a smaller number of larger ones within the existing footprint compared to building and establishing a new wind farm).

The existing policy direction in the NPS-REG on the benefits of upgrading existing renewable electricity generation capacity is relatively weak. This policy direction has generally not resulted in comprehensive or enabling provisions for upgrading existing REG activities in regional and district plans.[54]

By 2028, generators will need to consider repowering many of their existing windfarms, given the age and lifespan of some of the components that have been installed. However, industry has raised concerns that, because repowering activities are typically not recognised or specifically enabled in plans, decision makers will treat these applications as brand-new activities and not adequately recognise the benefits and efficiencies of upgrading.

Because this is an emerging issue there is not a strong evidence base of an existing problem. However, there is an opportunity now to provide for upgrades that are expected to be needed during the RM reform transition and that will support increased generation with lesser environmental effects than would result from new developments.

[54] Upgrading existing sites is not consistently provided for or enabled in plans, and repowering activities are not provided for in most plans, as evidenced by a review of a sample of regional and district plans undertaken by 4Sight Consulting on behalf of MBIE.

Options

Option 1 (proposed)		Option 2 (proposed)		Status quo
Strengthen policy direction to recognise the importance of maintaining existing generation output and to enable the upgrading and repowering of wind and solar generation activities	**and**	Nationally consistent rules for upgrading or repowering wind and solar generation	**or**	Existing NPS REG provisions No national environment standard

Status quo

The existing policy direction in the NPS-REG on the benefits of upgrading existing renewable electricity generation capacity is relatively weak.

- Policy C1(b) of the NPS-REG requires decision-makers to *'have particular regard to'* practical constraints, including the "*logistical or technical practicalities associated with developing, **upgrading**, operating or maintaining the renewable electricity generation activity*".
- Policies E1, E2, E3, E4 and F state that regional policy statements, regional plans and district plans must incorporate "*objectives, policies and methods (including rules within plans)*" to enable renewable electricity generation activities for all different types of generation (including upgrading) *"to the extent applicable in the region or district*".

There is no national environmental standard relating to upgrading and repowering of renewable electricity generation activities.

Options 1 and 2 are proposed to achieve the policy objectives.

Option 1 (proposed) – policy direction on upgrading and repowering wind and solar generation

The first preferred option (proposal) is to provide stronger, more specific policies and implementation requirements in the NPS-REG to recognise the importance of maintaining existing generation output and the benefits of upgrading, as well as of repowering wind and solar generation. This is intended to achieve:

- more consistent, efficient, and certain consenting processes for upgrading and repowering REG activities, including the repowering of wind and solar generation.
- greater recognition in RMA decision-making of the efficiencies and potential environmental benefits from increasing the generation capacity and output of existing REG activities.

These provisions could also apply to existing unimplemented REG consents. This would need to be limited to unimplemented consents as of the date that the amended national direction comes into effect, to avoid creating an incentive for projects to be immediately upgraded once resource consent is granted. For the same reason, this would not apply to new consents after the amended national

direction comes into force. This option could be limited to unimplemented wind farms consents and be achieved through defining 'existing REG activity' to include unimplemented wind farm consents at the date when the amended direction comes into effect[55].

This policy would sit alongside all other policies (including those relating to interactions with and impacts on Māori interests, natural environment values and local amenity values).

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 11: Draft provisions for the proposal.

Draft provisions
Policy 9: The timely and efficient upgrade and repowering of existing wind and solar REG assets is enabled. **3.9 Upgrading and repowering solar and wind REG assets** (1) Decision-makers must enable the timely and efficient upgrade and repowering of solar and wind-powered REG assets. (2) When making decisions relating to the upgrade or repowering of solar and wind-powered REG assets, decision-makers must: (a) have particular regard to the efficiencies and environmental benefits of increasing renewable electricity output within the same or a similar environmental footprint; and (b) consider only the additional adverse effects on the environment of the upgrade or repowering (and not any adverse effects from the existing consented activities).

Option 2 (proposed) – rules and standards on upgrading and repowering wind and solar generation

The environmental effects of upgrades can vary significantly depending on the scale, type of generation, type of upgrade, and location, from a minor upgrade through to a comprehensive repowering of a site. Therefore, a range of rules and supporting standards would be needed to ensure the approach is not too permissive or too restrictive. The NES would allow plan rules to be more lenient but not more stringent.

An indicative rule framework is as follows:

[55] Industry feedback has highlighted issues for older consented wind farms with unimplemented consents. When older consents come to be implemented, developers are finding that the technology has moved on and the consented turbine height may no longer be readily available. As a result, consent conditions have had to be amended before construction begins to allow for the available newer technologies, which inevitably involve higher turbines than the ones that were consented.

- **Minor upgrade** – The upgrade would be a permitted activity that must comply with standards that limit its scale (for example, no more than a 10% height increase for structures).
- **Intermediate upgrade** – The upgrade would be a controlled activity that must comply with certain standards (for example, up to a 25% height increase for structures). The ability to impose conditions would be limited to clearly defined issues (for example, construction management, decommissioning, bulk, height and location, mitigation, setbacks to boundaries, and sensitive environments).
- **Major upgrade/repowering** – The project would be a restricted discretionary activity that may be approved or declined. 'Major' upgrades would be defined as those that significantly change the scale and location of the existing asset (for example, a significant increase in the height of the wind turbines or the comprehensive repowering of a wind or solar farm). Comprehensive repowering and upgrade of wind farm activities is expected under the RMA over the next 10 years, but this is less likely for large-scale solar facilities, which are only just being consented and built in New Zealand. Repowering of existing wind farms has the potential to significantly increase generation output with a significantly lower overall environmental footprint compared to new wind farms.

Table 13 below sets out possible thresholds, standards and matters of discretion for those three categories of rules for upgrading and repowering existing wind and solar generation assets – permitted (minor), controlled (intermediate) and restricted discretionary (major). These standards are intended to be reasonably straightforward and limited to key matters, but we are seeking feedback below on whether other suitable standards should be considered.

The rules and standards focus on upgrading wind and solar generation as the effects from these activities are comparatively low and well-known and can generally be effectively managed through standards and consent conditions.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section. Following this feedback, the provisions would be drafted as regulations and would be subject to a further exposure draft consultation.

Table 12: Draft provisions for the proposal.

Minor upgrade – permitted activity standards	Intermediate upgrade – controlled activity standards
1. The proposed upgrade does not result in more than a 10% increase in the: a. Original development footprint; and b. Site coverage; and c. Height of existing structures and buildings 2. That the boundary setback is equivalent to the maximum height of any new structure or building. 3. Compliance with any relevant national standards including NZS 6803:1999 Acoustics (construction noise) and NZS6808:2010 (wind farm noise). 4. Any change in the footprint of the activities must be located outside of mapped areas of natural environment values (natural character, outstanding natural landscape and features, significant natural areas) and historical and cultural values (archaeological, heritage, Māori sites of cultural significance). 5. For solar farm extensions, existing vegetation or new planting must be included along the site boundaries to screen the upgrade area from the road and adjacent properties, and the land must have a slope of less than ten degrees.	i. The upgrade proposed upgrade does not result in more than a 25% increase in the: a. Original development footprint; and b. Site coverage; and c. Height of existing structures and buildings. ii. That the boundary setback is equivalent to the maximum height of any new structure or building. ii. Compliance with any relevant national standards including NZS 6803:1999 Acoustics (construction noise) and NZS6808:2010 (wind farm noise). v. Any change in the footprint of the activities must be located outside of mapped areas of natural environment values (natural character, outstanding natural landscape and features, significant natural areas) and historical and cultural values (archaeological, heritage, Māori sites of cultural significance). v. For solar farm extensions, existing vegetation or new planting must be included along the site boundaries where practical to screen the upgrade area from the road and adjacent properties, and the land must have a slope of less than ten degrees.
Major upgrades and repowering of wind and solar – Restricted discretionary activities: matters of discretion	
1. The location, scale and intensity of the activity; 2. Shadow flicker, glint or glare on adjacent properties and the surrounding environment; 3. Noise and vibration effects; 4. Functional, technical and operational need to be in that location or any practicable alternatives within the site; 5. Benefits associated with the activity, including the efficiencies of reusing existing infrastructure where practical; 6. The extent to which any adverse effects are mitigated by design and siting, colour, size of the proposal, and any screening or visual mitigation provided by existing and proposed landscaping.	

Assessment

Effectiveness to support targets

The proposal introduces new provisions in the NPS-REG that will provide clear direction on the benefits and efficiencies of maintaining and increasing existing REG through upgrading and repowering. This will ensure that decision makers give these advantages adequate weight and consideration.

This proposal promotes efficient use of existing REG sites to help support reductions in emissions and accelerate electrification of the economy. Existing sites are likely to be proven in terms of energy resource and this track record will provide further certainty to the success of any repowered or upgrade project.

Environmental outcomes

Increasing the generation capacity on existing REG sites reduces development pressure on other areas. Although this may mean taller structures (particularly in the case of wind turbines) with increased visual effects and different profile to managing ornithology risk, overall environmental outcomes are likely to be better than the status quo due to less construction activity on sites not already developed for REG.

Te Tiriti o Waitangi

The early engagement policy for Māori interests (with associated remediation) also extends itself to this proposal for upgrading and repowering existing REG sites. This is likely to provide better opportunity for tangata whenua involvement in extending the use of existing sites.

Consenting efficiency and certainty

Clearer and more directive policy language under Option 1 (proposed) will provide greater certainty for developers and decision makers when considering existing REG sites. Option 1 will also clarify that the existing consented scheme is part of the existing baseline environment, and so confirm the scope of the information requirement for upgrade activities and ensure a nationally consistent approach. Nationally consistent standards (Option 2 and 3) will provide greater certainty for applicants and decision makers when considering existing wind and solar REG sites.

Overall assessment

Both the proposal and the status quo allow consent authorities to give full consideration to any benefits and adverse environmental effects associated with upgrades. However, the status quo does not resolve current issues and does not explicitly provide for repowering activities, which are anticipated within the transition period. The proposed policy direction will provide greater certainty for developers and decision makers through the consenting process as to the weight that should be given to these matters.

As such, it is considered to be better than the status quo as it provides greater clarity regarding consenting on existing REG sites. This will help ensure efficient use of previously tested and developed sites, whilst helping to avoid potential adverse effects on environmental, historical, and cultural values from developing new sites. The proposed NES provisions would ensure a nationally consistent framework for consenting upgrade activities, including repowering. This will simplify the consenting and decision-making process for these activities. The status quo does not include national rules or standards related to upgrading and repowering or address current issues.

Table 13: Assessment of options.

Criteria	Status quo	Option 1 (proposed)	Option 2 (proposed)
Effectiveness to support targets	0	++	++
Environmental outcomes	0	+	+
Te Tiriti o Waitangi	0	+	0
Consenting efficiency and certainty	0	+	+
Overall assessment	0	++	+

5. Upgrading and repowering wind and solar generation

5.1. To what extent do you agree with the problem statement for this section?

Questions on NPS proposal

5.2. To what extent do you agree that the NPS proposal appropriately addresses the problem and the policy objectives?

5.3. To what extent do you agree that the upgrade provisions should be extended to cover unimplemented consents as of the date the provisions come into force?

5.4. Should this apply only to wind farm consents, or are other technologies also affected?

Questions on NES proposal

5.5. To what extent do you agree that the NES proposal appropriately addresses the problem and the policy objectives?

5.6. Do you agree the NES should enable planning decisions to apply a more lenient application of the rules relating upgrading and repowering wind and solar generation?

5.7. Do you think that the indicative thresholds, standards and matters of discretion for minor, intermediate and major upgrades are generally appropriate? How can these be improved or refined?

5.8. Please provide any evidence or examples to support your view.

5.9. Please provide any comments about this section.

Section 6: Reconsenting existing hydro-generation assets

Problem statement

Hydro-generation is critical to New Zealand's renewable electricity system, currently contributing on average 57% of the system's capacity[56]. Hydro-generation also provides important baseload generation, and hydro-generation and storage have the potential to be used more flexibly to support greater integration of other renewables. Reconsenting of existing hydro-generation assets provides an important opportunity to efficiently maintain existing generation output and assist in meeting New Zealand's emissions targets.

There are some significant cultural concerns and historical grievances associated with existing hydro schemes and these are reflected in several Treaty Settlements, previously noted in this report. These settlements have included Crown acknowledgment of the significant impact of the construction of hydro schemes on affected iwi, with the schemes causing significant, irreversible changes in waterbodies and widespread environmental degradation with limited or no engagement with iwi.

The effects of existing hydro-schemes are also of particular concern to other communities in Aotearoa for environmental reasons, because of concerns about the water quality, ecosystem health and recreational values of affected waterbodies.

Issues relating to hydro generation and its reconsenting have been worked through in the NPS-FM 2020.

We propose considering options for reconsenting as part of the National Planning Framework and maintaining the status quo for now

It is important to recognise the national significance of hydro-generation in New Zealand in reconsenting decisions. However, there are significant issues at play with hydro-generation that must be worked through with iwi/Māori and communities.

Therefore, we do not propose to make any changes to the NPS-REG on this right now given the work done on the NPS-FM 2020 and the forthcoming work resulting from the new NBE resource allocation regime. We will consider any necessary changes through the development of the NPF. Except for hydro-generation, we are also not aware of any consenting issues arising for other REG activities from the requirements of NPS-FM and NESF.

We propose for now to retain the existing 'Hydro-electricity resources' policy (Policy E2) in the NPS-REG, and to retain the intent of the preamble in that policy statement relating to water allocation.

> *Preamble*
>
> *(…)*
>
> *This national policy statement does not apply to the allocation and prioritisation of freshwater as these are matters for regional councils to address in a catchment or regional context and may be subject to the development of national guidance in the future.*

[56] Average over the past five years (MBIE, 2022).

(…)

POLICY E2

Regional policy statements and regional and district plans shall include objectives, policies, and methods (including rules within plans) to provide for the development, operation, maintenance, and upgrading of new and existing hydro-electricity generation activities to the extent applicable to the region or district.

6. Reconsenting existing hydro-generation

6.1. To what extent do you agree with the problem statement for this section?

6.2. To what extent do you agree with retaining the status quo for now?

6.3. Please provide any evidence or examples to support your view.

6.4. Please provide any comments about this section.

Section 7: Small and community-scale renewable electricity generation

Small and community-scale REG projects cumulatively contribute significantly to national renewable electricity generation capacity, with local and community energy initiatives generating over 500 MW[93]. They increase diversity and competition in the electricity market and can provide economic and other benefits to local communities[94]. There is significant interest from Māori and community groups in developing small and community-scale energy projects that make energy more affordable for their communities and make their communities more resilient and self-sufficient.

Gaining resource consent was identified as one of the key barriers to the uptake of community energy in submissions on MBIE's discussion paper, *Accelerating Renewable Energy and Energy Efficiency*.

Section 7.1. Enabling small and community-scale renewable electricity generation

Problem statement

Small and community-scale REG projects face resource consent requirements and costs that are disproportionate to the adverse effects of these projects. Resource consent requirements for these projects are often applied inconsistently, and there is a lack of effective enabling provisions in plans[57]. These problems have been attributed to inadequate national direction[58] on the benefits of these small and community-scale projects and a lack of guidance (including appropriate standards).

In earlier consultation by MBIE in 2020, on the *Accelerating Renewable and Energy Efficiency* discussion document, some submitters recognised the benefits of NES to enable renewable energy projects while also noting it would need to be carefully designed to account for the wide variety of renewable energy activities and effects.

The benefits of a supporting NES for the NPS-REG were recognised back in 2010 by the Board of Inquiry:

> *"It would be appropriate and efficient for a NES to be developed so that there is a consistent approach to encouraging small and community-scale REG activities (including micro-generation). Barriers, which include the cost of applications for resource consents, could be reduced or removed by categorising activities as permitted, subject to performance standards".*[59]

The Board's preferred approach was to develop national environmental standards based on the scale and nature of the activity's environmental effects, including permitted activity rules and standards. However, a NES was not progressed.

[57] These issues are evidenced in the NPS-REG evaluation report, recent MBIE consultation and a review of plan provisions and 4Sight Consulting case studies

[58] The preamble to the NPS-REG acknowledges the "*contribution of renewable electricity generation, regardless of scale, towards addressing the effects of climate change plays a vital role in the wellbeing of New Zealand, its people and the environment*."

[59] Report and Recommendations of the Board of Inquiry into the Proposed National Policy Statement for Renewable Electricity Generation (March 2010), paragraph 119.

We are seeking feedback on options for introducing nationally consistent rules and standards for small and community-scale renewable electricity generation. These rules and standards could be in the form of a national environmental standard under the RMA, or of future rules in the new National Planning Framework.

Options

Option 1 (proposed)		Option 2 (proposed)		Option 3		Status quo
Strengthen the policy direction on small and community-scale renewable electricity generation	**and**	Nationally consistent rules for small and community-scale onshore wind and solar based on existing plan provisions	**or**	Permissive rules for all types of small and community-scale renewable electricity generation	**or**	Existing NPS-REG provisions and no NES for small and community-scale renewable electricity generation

Status quo

The NPS-REG provisions relating to small and community-scale renewable electricity generation activities are in Policy F:

> *POLICY F: As part of giving effect to Policies E1 to E4, regional policy statements and regional and district plans shall include objectives, policies, and methods (including rules within plans) to provide for the development, operation, maintenance and upgrading of small and community-scale distributed renewable electricity generation from any renewable energy source to the extent applicable to the region or district.*

There is no national environmental standard relating to small and community-scale renewable electricity generation activities.

Two options are proposed to achieve the policy objectives.

Option 1 (proposed) - Strengthen the policy direction on small and community-scale renewable electricity generation

The proposed options below focus on strengthening the policy direction in the NPS-REG to enable small and community-scale renewable electricity generation, and focus also on amending the corresponding definition in the NPS-REG. The NES would allow plan rules to be more lenient but not more stringent.

The strengthened policy direction and implementation requirements would require planning decisions to:

a. Enable the effective and efficient development, operation, maintenance and upgrading of small and community-scale renewable electricity generation.

b. Recognise the significant role of small and community-scale renewable electricity generation projects in meeting New Zealand's emissions reduction targets and budgets.

c. Recognise and provide for the local benefits of small and community-scale renewable electricity generation. Including but not limited to security of supply, affordability, resilience, reducing greenhouse gas emissions, and providing for economic, social, and cultural well-being of communities.

The scope of REG activities would apply to all forms of REG, excluding containment hydro (i.e. damming waterways). Embedded hydro, 'run-of-river hydro', instream or micro-generation would be included as they have limited effects on waterways and are frequently permitted activities in district and regional plans (if they are provided for), subject to standards[60].

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 14: Draft provisions for the proposal.

Potential drafting
Policy 6: Small-scale and community-scale REG activities are enabled, and adverse effects on the environment are avoided, remedied, or mitigated to the extent practicable. **3.8 Small-scale and community-scale REG** (1) Decision-makers must ensure that the effects on the environment (including to local amenity values) of small-scale and community-scale REG activities are avoided, remedied, and mitigated to the extent practicable. (2) When considering proposals for small-scale and community-scale REG activities, decision-makers must have particular regard to the benefits of those activities, including: (a) local security of supply; and (b) energy and community resilience; and (c) the reduction and displacement of greenhouse gas emissions; and (d) providing for the economic, social, and cultural well-being of people and communities.

[60] These hydro schemes are designed within the constraints of existing water bodies and have no or very limited storage. They typically divert a proportion of the natural river (via a weir or drainage channel) and return flow back into the river downstream. Eighty-four sites with a generation potential between 1 MW and 9 MW have been identified nationally by Roaring40s for potential run-of river development. Several of these are within land administered by the Department of Conservation.

Option 2 (proposed) – Nationally consistent rules for small and community-scale onshore wind and solar based on existing plan provisions

This option would involve nationally consistent rules for small and community-scale onshore wind and solar photovoltaic (PV) based on existing good practice and recent proposed and draft plan provisions.[61]

The table below provides draft rules and standards for different types of small and community-scale wind and solar generation. To recognise the different types and scales of generation, separate rules and standards are provided for:

a. Roof-mounted wind turbines and solar generation.

b. Free-standing small scale wind turbines and solar generation.

c. Community scale renewable electricity generation activities.

The controlled activity standards for community-scale wind generation below include a maximum turbine height of 30m, which is generally consistent with standards set in proposed district plans[62]. This is however significantly lower than is sought by some in the industry who have indicated (in their initial feedback) that new wind technologies mean that current production is focused on higher turbines (over 100m high).

However, we do not think it is appropriate to provide for a 100m or higher turbine as a permitted or controlled activity given the likely environmental effects, particularly on surrounding properties and when viewed from sensitive viewpoints. We are therefore interested in feedback on whether it would be more effective to simply provide for community-scale wind generation as a restricted discretionary activity, subject to suitable matters of discretion.

Section 8 also outlines an option of the NES to provide for all scales, including large scale renewable electricity generation.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section. Following this feedback, the provisions would be drafted as regulations and would be subject to a further exposure draft consultation.

[61] Including the proposed Wellington City District Plan, proposed Porirua District Plan, proposed Far North District Plan, draft Kaipara District Plan.

1. *62 For example, a sample of proposed plans reviewed include 20-30m high freestanding turbines as a permitted activity subject to standards.*

Table 15: Draft provisions for the proposal.

General standards applicable to all activities		
a) Compliance with NZS 6803:1999 Acoustics (construction noise). b) Must be located outside of mapped areas of natural environment values (natural character, outstanding natural landscape and features, significant natural areas) and historical and cultural values (archaeological, heritage, Māori sites of cultural significance).		
Roof-mounted wind turbines		
All zones	**1. Activity status: Permitted** The development, operation and maintenance of roof-mounted wind turbine generation activities. **Where:** a. The wind turbine does not exceed the permitted building height of the underlying zone by more than 3m measured vertically. b. The wind turbine does not exceed the permitted height in relation to boundary standard for the underlying zone by more than 1m measured vertically. c. The maximum rotor diameter is no more than 2.5m. d. There is only one roof-mounted wind turbine per site. e. Compliance is achieved with NZS 6808:2010 Acoustics - Wind farm noise.	**2: Activity status when compliance not achieved: Restricted discretionary activity** Matters of discretion where compliance not achieved: a. The type, scale, form and location of the wind turbine; b. Shadow flicker on adjacent properties and the surrounding environment; c. The extent to which any adverse effects are mitigated through measures such as siting, design, colour, finish; d. Dominance and shading effects on adjoining sites and measures to mitigate these effects; e. Noise and vibration effects; f. Cumulative effects of oversize rooftop wind turbines on the site and surrounding area; g. Whether there are topographical or other site constraints that make compliance with the permitted activity standards impractical.
Roof-mounted solar PV generation		
All zones	**1. Activity status: Permitted** The development, operation and maintenance of roof-mounted solar PV generation activities. **Where:** a. Any solar panel does not exceed the permitted building height for the underlying zone by more than 1m measured vertically. b. Any solar panel does not exceed the permitted height in relation to boundary for	**2: Activity status when compliance not achieved: Restricted discretionary activity** Matters of discretion where compliance not achieved: Matters of discretion are restricted to: a. The type, scale, form and location of solar panel;

	the underlying zone by more than 1m measured vertically.	b. Glint and glare on adjacent properties and the surrounding environment; c. Any bulk dominance and shading effects on adjacent properties and measures to mitigate these effects; and d. The extent to which any effects are mitigated, including by alternative siting, design and location.
Free-standing small-scale wind turbines		
All zones (except residential)	**1. Activity status: Permitted** The development, operation and maintenance of free-standing small-scale wind turbines and associated infrastructure. **Where:** • No structure, including any attachments or turbine blades, exceed a maximum height above ground level of 20m. • Any structure is setback at least three times the height of the structure from the boundary of any other site in different ownership and any road boundary. • Compliance is achieved with NZS 6808:2010 Acoustics - Wind farm noise. • The maximum number of turbines per site: o One turbine (for sites comprising 20ha) o Three turbines (for site comprising more than 20ha) • Any turbine must not exceed a maximum rotor diameter of 7.2m	**2: Activity status when compliance not achieved: Restricted discretionary activity** Matters of discretion where compliance not achieved: Matters of discretion are restricted to: a. The type, scale, form and location of the wind turbine and any associated infrastructure; b. Shadow flicker and glare on adjacent properties and the immediate surrounding environment; c. The extent to which any adverse effects are mitigated, including by alternative siting, design, colour, finish, or number of structures; d. Dominance and shading effects on adjoining sites and measures to mitigate these effects; and e. Visual and amenity effects on the surrounding environment; and f. Noise and vibration effects.
Free standing small-scale solar PV generation		
All zones (except residential)	**1. Activity status: Permitted** The development, operation and maintenance of freestanding small scale solar PV and associated infrastructure.	**2: Activity status when compliance not achieved: Controlled** Matters of discretion where compliance not achieved:

	Where: • No solar panel array exceeds 3m in height measured from the ground. • The cumulative area of solar panels does not exceed 200m2 per site. • All structures are setback 10m or three times the height of the structure from the boundary of any other site in different ownership or road boundary (whichever is the greater).	Matters of discretion are limited to: • The height, size and location of the solar PV and any associated infrastructure; • Glint and glare on adjacent properties and the surrounding environment; • The extent to which any adverse effects are be mitigated including by alternative siting, design, colour, or landscaping; and • Visual amenity and landscape effects on adjacent sites and the surrounding environment.
Community-scale renewable electricity generation activities		
Rural Zones, Industrial Zones, Māori Purpose Zones, Commercial Zones	**Activity status: Controlled (some site-specific effects assessment required).** The development, operation and maintenance of community-scale renewable electricity generation activities. **Where:** **Wind generation** • No turbine structure or device, including any attachments or turbine blades, exceeds a maximum height above ground level of 30m. • There are no more than three turbines on a site. • Any wind generating structure is setback at least three times the height of the structure (including supporting structures) from the boundary of any other site in different ownership and any road boundary. • Compliance is achieved with NZS 6808:2010 Acoustics - Wind farm noise for any proposal involving wind generation. **Solar PV generation** • Any solar generating structure is setback at least 10m or three times the height of the structure (including supporting structures) from the boundary of any other site in different ownership or road boundary (whichever is the greater).	**2: Activity status when compliance not achieved: Restricted discretionary activity** Matters of discretion where compliance not achieved: • The location, scale and intensity of the activity; • Shadow flicker, glint or glare on adjacent properties and the surrounding environment; • Noise and vibration effects; • Functional, technical and operational need to be in that location or any practicable alternatives within the site; • The community and other benefits associated with the activity; • The extent to which any adverse effects are mitigated by design and siting, colour, size of the proposal, and any screening or visual mitigation provided by existing and proposed landscaping.

	• All devices and supporting structures attached to land, including solar panels, cover a total area of no more than: • 1 hectare per site where there is existing boundary vegetation that screens the development when viewed from the road and adjacent properties. • 0.5 hectares per site where the development will be visible from the road or adjacent properties. **Matters of control are limited to:** • The location, scale and intensity of the activity; • Shadow flicker, glint and glare on adjacent properties and the surrounding environment; • Noise and vibration effects; • The extent to which any adverse effects are mitigated by design and siting, colour, size of the proposal, and any screening or visual mitigation provided by existing and proposed landscaping.	

Option 3: Rules for all types of small and community-scale renewable electricity generation

Option 3 is like Proposal 2 but would involve a more permissive set of nationally consistent rules and standards so that different rules could apply to different types of small and community-scale generation – including run-of-river or micro- hydro and geothermal generation.

Assessment

Effectiveness to support targets

Option 1 (proposed) promotes the importance of small and community-scale REG projects in a way that recognises their potential cumulative contribution towards helping meet emissions reduction targets. Both Option 2 (proposed) and Option 3 promote the importance of small and community-scale REG projects by streamlining the consenting approach through nationally consistent standards. This will help to meet emissions reduction targets.

Environmental outcomes

Options 1 and 2 (proposed) will help to increasing the supply of small and community-scale REG projects and will better improve the distribution of REG projects. This will also reduce pressure on the need for large scale projects where adverse environmental effects are likely to be greater due to the nature of site works required, particularly at the construction stage.

Although the status quo provides for small and community-scale REG in plans, and general REG provisions in the NPS also apply, there are no policies specifically addressing decision making in relation to these activities. Under the status quo there is no means of resolving the disproportionate

requirements and costs of consenting small and community-scale REG relative to their adverse effects. Providing specifically for these activities will also better support Māori development aspirations for renewable electricity generation.

If the proposed stronger policy direction (Option 1) to support small and community-scale generation is not advanced, then we expect that the environmental effects of renewable electricity generation could be larger overall, as national direction will be focused on larger projects that typically result in more significant environmental effects. This may also curtail the aspirations of iwi who want to develop REG, but face the disproportionate consenting requirements and costs for small and community-scale REG.

Small and community-scale REG projects under Option 2 (proposed) are likely to be relatively small sized. This will help reduce the environmental footprint compared to larger projects. Option 3 would include all REG technologies including small scale geothermal and hydropower which may not be appropriate to have standards for given their reliance on freshwater and the adverse effects this could have.

Te Tiriti o Waitangi

Providing specifically for small and community-scale REG projects under all options will better support Māori development aspirations for renewable energy generation. However, as noted above, Option 3 would include all types of REG projects which may be of concern to tangata whenua due to potential impacts on freshwater due to the value and importance of freshwater to tangata whenua.

Consenting efficiency and certainty

Clearer and more directive policy language will provide greater certainty for applicants and decision makers when considering small and community-scale REG projects. Standards under Options 2 and 3 will provide even greater certainty for applicants and decision makers when developing small and community-scale REG projects.

Overall assessment

Options 1 (proposed) al is considered to be better than the status quo as it provides greater clarity regarding consenting on small and community-scale REG sites. This will help increase the supply of not just larger REG projects, but also smaller schemes where benefits may be more closely seen at the community scale.

Option 2 (proposed) is considered to be better than the status quo as it provides greater clarity regarding consenting on small and community-scale REG sites, in a way that manages unintended consequences by having the standards only apply to wind and solar generation. Although Option 3 would support targets and increase consenting efficiency, on balance it is not considered an improvement on the status quo due to the potential environmental and cultural impact on being too broad in use.

Option 2 will provide an enabling rules framework for small and community-scale onshore wind and solar photovoltaic activities. This will resolve current inconsistencies in approaches to these activities nationally, and reduce the burden of consenting requirements and costs for these activities. These enabling rules framework will also better support Māori development aspirations for small and community-scale renewable electricity generation.

Nationally consistent rules for small and community-scale onshore wind and solar photovoltaic activities are appropriate because these projects typically have lesser environmental effects, and those effects can usually be managed effectively through standards and through requirements to reduce specific adverse effects. Wind and solar are also the most affordable types of small and community-scale electricity generation, and significant growth is projected for both technologies out to 2050.

Option 3 would have similar benefits as our preferred Option 2 but would be more enabling and flexible for all types and sizes of small and community-scale REG projects and therefore more effective in removing consenting and cost barriers for these types of projects.

The main risks and limitations associated with Option 2 is that the effects of geothermal and hydro-generation are much more variable and site-specific. They also involve using resources that are of significant value and importance to tangata whenua. Because of those risks and limitations, we believe it is not appropriate for now to develop national consistent, enabling rules for small and community-scale geothermal and hydro-generation.

If options to support small and community-scale generation are not advanced, then we expect that the environmental effects of renewable electricity generation will be larger overall, as national direction for REG activities will be focused on larger projects that usually have more significant environmental effects. This may also be a barrier to the aspirations of those iwi who want to develop REG, but face the disproportionate consenting requirements for small and community-scale REG.

Table 16: Assessment of options.

Criteria	Status quo (no action)	Option 1 (proposed)	Option 2 (proposed)	Option 3
Effectiveness to support targets	0	+	+	+
Environmental outcomes	0	+	+	x
Te Tiriti o Waitangi	0	+	0	x
Consenting efficiency and certainty	0	+	+	+
Overall assessment	0	+	+	0

Section 7.2: Improving the definition of 'small and community-scale' renewable electricity generation

Problem statement

A new definition of 'small and community-scale distributed electricity generation' in the NPS-REG also proposed. The current definition[63] is too broad and does not recognise the potentially significant difference between small-scale and community-scale generation activities regarding the scale, purpose, environmental effects, or the dynamic and interconnected nature of the electricity network It does.

The definition also unhelpfully includes 'connecting into the distribution network': this is inappropriate, as generation projects of various scales can connect into the distribution network where the network has capacity. The lack of specificity in the NPS-REG definition has resulted in a variety of different interpretations and definitions for small and community-scale renewable electricity generation activities in resource management plans.

Options

Option 1 (proposed)		Option 2		Status quo
Define small and community-scale REG based on the activity's primary purpose	**or**	Define small and community-scale REG based on the activity's capacity (MW)	**or**	Existing definition

Status quo

The existing NPS-REG defines small and community-scale distributed electricity generation as meaning "renewable electricity generation for the purpose of using electricity on a particular site, or supplying an immediate community, or connecting into the distribution network."

Option 1 (proposed) – A definition based on primary purpose

We propose that new definitions of small and community-scale renewable electricity generation remove the reference to 'connecting into the distribution network', as this is not a defining feature of these activities.

It is preferable to have separate definitions for 'small-scale' and 'community-scale' REG, as these activities can be significantly different, and with each definition focused on the purpose of the activity. 'Small-scale' would be defined in terms of its primary purpose for residential or small-scale commercial on-site use. 'Community-scale' would be defined in terms of its primary purpose of providing electricity for collective or community benefit.

Neither definition would prevent a generation asset from connecting to the distribution network or transmission network if there was capacity.

[63] The NPS-REG definition is "***Small and community-scale distributed electricity generation*** *means renewable electricity generation for the purpose of using electricity on a particular site, or supplying an immediate community, or connecting into the distribution network*".

Option 2 – A definition based on capacity (MW)

Under this option, definitions would be based on a prescribed threshold tied to generation capacity (such as 10 MW or less)[64].

Given the variation in environmental effects, definitions based on electricity capacity would need to be targeted to different types of generation to avoid the risk of unintended consequences (such as favouring certain types of generation).

Given technological improvements, there is also the risk that these size thresholds could become outdated if not updated periodically.

Basing the definitions on the purpose of the activity is preferable to basing them on generation capacity, as the effects of different renewable technologies with the same generating capacity or output vary widely.

MBIE previously consulted (in 2020) on including a capacity threshold in the definition. Feedback was mixed and noted that this might discriminate against future technologies that provide greater generation output with less harm to the environment.

A Board of Inquiry in 2010 came to the same conclusion. Its preferred approach was to remove the 4MW threshold in the definition in the NPS-REG and to instead develop national environmental standards and introduce permitted activity rules and standards, to provide a consistent approach to encouraging small and community-scale renewable electricity generation. However, this was never progressed by Government.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section.

Table 17: Draft provisions for option 1.

Potential drafting
small-scale REG means renewable electricity generation where the primary purpose is to provide electricity for on-site residential or on-site commercial use, at an individual site or landholding level.

Assessment

Effectiveness to support targets

By referencing the primary purpose of small and community-scale project, Option 1 provides flexibility in helping to meet emissions reductions targets through this scale or project. While option 2 may provide certainty based on a capacity (MW) threshold, there is no assurance that the electricity generated would help to meet the purpose of the policy.

[64] Both a 4 MW and a 10 MW threshold for small-scale renewable electricity generation were considered by a Board of Inquiry into the proposed NPS-REG in 2010.

Environmental outcomes

There is no clear difference between Options 1 and 2 in relation to environmental outcomes. Option 1 could result in larger developments than Option 2 (if a small threshold was used) that have a larger environmental footprint. Conversely if the threshold for Option 2 was too high, this could undermine environmental protections through increased argument for the need to support small and community-scale REG projects over other values.

Te Tiriti o Waitangi

Option 1 is considered to better support Māori development aspirations for renewable energy generation than Option 2, through its primary purpose needing to reflect that of a collective approach.

The proposal will address problems with the current definition, including providing separate definitions for 'small-scale' and 'community-scale' activity based on the purpose of each activity. This will make approaches to these activities more consistent nationally. The updated definitions are expected to better support the development aspirations of Māori communities for REG, as they refer to benefits for the local community and to some degree of collective ownership or management, rather than referring to the point of connection.

Consenting efficiency and certainty

Clearer definitions as proposed in both options will provide greater certainty for applicants and decision makers when considering small and community-scale REG projects.

Overall assessment

Option 1 is considered to be the best option as it is associated with the end purpose of the energy and does not rely on an arbitrary threshold that could reduce innovation in new small and community-scale REG projects.

Table 18: Assessment of options.

Criteria	**Status quo (no action)**	**Option 1 (proposed)**	**Option 2**
Effectiveness to support targets	0	+	+
Environmental outcomes	0	0	0
Te Tiriti o Waitangi	0	+	0
Consenting efficiency and certainty	0	+	+
Overall assessment	0	+	0

7. Small and community-scale generation

7.1. To what extent do you agree with the problem statement for this section?

Questions on NPS proposal

7.2. To what extent do you agree that the NPS proposal appropriately addresses the problem and the policy objectives?

7.3. To what extent do you agree with the proposed definitions of small-scale and community-scale renewable electricity generation activities?

7.4. To what extent do you agree that run-of-river hydro, instream hydro and micro hydro will play a role in the future electricity generation network?

Questions on NES proposal

7.5. To what extent do you agree that the NES proposal appropriately addresses the problem and the policy objectives?

7.6. Are the thresholds, standards and rules for control and discretion appropriate as set out in the draft rules? Can you suggest any improvements? Please provide evidence for your suggested changes.

7.7. Is 20m and 30m appropriate as a permitted and controlled activity standard for small and community-scale wind turbine height respectively?

7.8. Should the rules relating to small-scale free-standing and roof-mounted wind and solar apply to all zones, or should they exclude residential zones?

7.9. Do you agree the NES should enable planning decisions to apply a more lenient application of the rules relating small and community scale wind and solar generation?

7.10. Please provide any evidence or examples to support your view.

7.11. Please provide any comments about this section.

Section 8: Other issues

8.1 Nationally consistent rules for new large-scale wind and solar PV generation

A new NES-REG discussed in Sections 5 and 7 could also be broadened in scope to include nationally consistent rules for new larger-scale wind and solar PV generation. This would address current inconsistencies in and/or the lack of specific plan rules across the country and enable the amended policy direction in the NPS-REG to be more effectively implemented.

The nature and extent of effects from large scale renewable electricity projects range significantly based on a number of factors, such as the type of generation, scale, location, proximity to sensitive receiving environments, presence significant environment values. For example, the effects of a new large scale wind farm on a landscape are completely different to the effects of a hydro-generation scheme.

For these reasons, a nationally consistent set of generic rules and standards for all large-scale renewable electricity projects would be complex. However, focusing on wind and solar could be more easily achieved because the effects of these are well known, and the projected growth of REG is concentrated on these sources. In addition, stakeholder feedback is that the geothermal rule framework currently in plans appropriately provides for geothermal generation and the management of effects.

The rules could be defined in a similar way to those for small and community scale but would need to be adjusted to reflect the greater scale and intensity of environmental effects. For example, this rule would only apply outside urban zones and could involve a restricted discretionary activity status with targeted matters of discretion to cover all relevant environmental effects regardless of location.

The NES could then allow plans to be more lenient but not more stringent. This consistent rule framework combined with the strengthened policy direction in the amended NPSs has the potential to deliver significant improvements in the ability to consent these projects.

8.2 Battery storage

Problem statement

Grid-connected battery storage has emerged as an important decarbonisation technology, particularly for integrating variable renewable energy into the electricity system. However, this technology is not specifically addressed in the current national direction documents.

Battery storage will play an increasingly important role in the electricity network as a greater proportion of electricity generation is drawn from intermittent and distributed sources (that is, wind and solar) and the network relies less on conventional thermal peaking[65]. Transpower estimates that 750 MW of distributed battery storage (for example, grid-connected battery energy storage systems, or 'BESS') will be established within electricity networks by 2035, increasing to 2,500 MW by 2050[66]. Several BESS projects are already being investigated in New Zealand.

[65] Transpower New Zealand Limited (2020), '*Whakamana I Te Mauri Hiko - Empowering Our Energy Future*'.
[66] Ibid.

The existing definition of 'renewable electricity generation activities' in the NPS-REG includes 'electricity storage technologies associated with renewable electricity'. Recent industry feedback has observed that including storage in the definition of REG activities has not led to the development of a specific enabling policy framework for including storage in plans. However, it is clear from the definition of REG activities that storage associated with renewable electricity is covered by the general policy direction for REG and that storage would be covered by the policy options set out in Part B of this consultation document.

Conversely, BESS and activities that are not associated with a generation project are not covered by the current definition of 'renewable electricity generation activities' in the NPS-REG. Because BESS is still an emerging technology in New Zealand, there is little evidence of any consenting difficulties for these projects. However, these activities are likely to play a significant role in the electricity network in the future and therefore there may be benefit in providing specific policy direction on electricity storage in general or on electricity storage associated with the wider electricity network.

Options

Option 1		**Status quo**
Amend the NPS-REG and NPS-ET to better recognise the national significance of electricity storage, including BESS connected to the electricity network	**or**	Existing provision (inclusion in definition only)

Status quo

There are no specific provisions or policies for electricity storage though it is included in the definition of REG:

> *Renewable electricity generation activities means the construction, operation and maintenance of structures associated with renewable electricity generation. This includes small and community-scale distributed renewable generation activities and the system of electricity conveyance required to convey electricity to the distribution network and/or the national grid and* electricity storage technologies *associated with renewable electricity.*

Option 1

This option would involve amendments to NPS-REG (or NPS-ET) to include enabling direction relating to electricity storage. Our view is that energy storage projects are integral to providing the system stability that is critical to the success of REG projects. Therefore, energy storage projects even if not directly linked to a REG project should be covered by the NPS-REG.

Assessment

This policy direction would clarify the national importance of electricity storage connected to the electricity network to meeting climate change and renewable electricity targets and other benefits such as network flexibility. It would also direct decision-makers to enable the development of storage provided adverse environment effects are appropriately managed through location, siting, design, and mitigation.

8.3 Lapse periods for unimplemented consents ('use it or lose it')

The Electricity Authority recently recommended that MBIE and the MfE investigate the evidence for, and merits and feasibility of, applying pro-competitive conditions on consents for renewable generation (for example, 'use-it-or-lose it' conditions)[67].

The default lapse date for resource consents under the RMA is five years. However, many wind farm applications have sought lapse dates of 10 years.

In determining an appropriate lapse date for REG consents, it is important to consider:

a. The purpose of defining a specific lapse period and the potential impacts on accelerating quick builds and encouraging competition

b. Whether the period should only reflect the time needed to establish large new renewable generation schemes, or whether other factors can be considered (such as market conditions)

c. Any unintended consequences from projects that would otherwise have been built losing their consenting rights unnecessarily, which could deter applications altogether.

We are not currently proposing any options for this area, but initial feedback would be helpful.

8. Other issues

Questions on nationally-consistent rules for large-scale wind and solar generation

8.1. Should the NES-REG provide nationally consistent rules for large-scale wind and solar generation? If so, what is an appropriate activity status and what would be relevant matters of discretion?

Questions on battery storage

8.2. To what extent do you agree it is necessary to include a definition for electricity storage activities as separate from its inclusion in the definition of REG activities?

8.3. Are specific policies needed to support storage associated with the wider electricity network?

Questions on lapse periods for unimplemented consents

8.4. What do you think is an appropriate lapse period for consents for renewable electricity generation activities (3 years, 5 years, 7 years, 10 or more years)?

8.5. What is the expected time to start building a large wind farm or large solar farm once resource consent has been approved?

8.6. Please provide any evidence or examples to support your view.

8.7. Please provide any comments about this section.

[67] Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity Issues Paper: Long-form report (ea.govt.nz)

Part C: Strengthening national direction for electricity transmission

Part C of this document focuses on issues and options related to electricity transmission. In each section, we provide a high-level overview of the problem we want to address, the options we would like your feedback on, draft wording for the proposed new provisions, and finally several questions to help focus your feedback on the key issues.

The draft wording in the provisions tables in each section have been taken from the proposed NPS-ET draft released alongside this consultation document and available on MBIE's website.

This Part cross-references the discussion on issues and options in Part B relating to REG activities where relevant.

The four sections in Part C are:

- **Section 9**: Recognising and providing for the national significance of electricity transmission
- **Section 10**: Managing the environmental effects of electricity transmission activities
- **Section 11**: Amending the NES-ETA
- **Section 12**: High-voltage electricity lines not owned or operated by the national grid

The proposals and options in Part C focus on key changes to some existing NPS-ET provisions, while retaining others. The proposals in section 4 in relation to Māori interests are also proposed for the NPS-ET.

Section 9: Recognising and providing for the national significance of electricity transmission

Problem statement

The NPS-ET is out of date in important respects. It was developed before emissions reduction targets were incorporated into New Zealand law. Climate change action is now more urgent globally and domestically, and electrification of our industry and economy is the most important enabler for decarbonising New Zealand's energy system.

The NPS-ET has several limitations and gaps and does not adequately recognise the critical role of the electricity transmission network in supporting reductions in emissions.

The policy directions in Policies 7 and 8 of the NPS-ET deal with interactions with significant environmental values and amenity values and are discussed in section 10.

Several provisions of the NPS-ET are causing issues or are no longer fit-for-purpose:

- Policy 6 is resulting in pressure for underground lines when projects are upgraded, despite this being seven to 10 times the cost of overground lines. (It should be recognised, however, that underground lines may be justified in certain circumstances in order to significantly reduce adverse environmental effects.

- There is a lack of clarity in Policies 7 and 8 on the weight that should be given to the national significance and benefits of electricity transmission in RMA decision-making when managing the effects on "urban amenity" and areas with "high recreational value".
- The standards in Policy 9 of the NPS-ET relating to managing electric and magnetic fields are out of date.
- There have been a range of implementation issues as NPS-ET provisions (specifically those relating to the national grid 'buffer corridor') have been inconsistently interpreted in plan development, consenting processes and court decisions, resulting in significant debate, negotiation, and costs for Transpower[68], local authorities and other parties. Some local authorities have also yet to give effect to the NPS-ET despite the requirement in the NPS-ET to do this by 2012.

Collectively, these issues need to be addressed to improve the workability of the NPS-ET as intended and enhance provision of its national significance.

Options

Option 1 (proposed)		Status quo
Stronger policy direction to recognise and provide for the national significance of the electricity transmission network	**or**	Existing provisions

Status quo

Policy 3: When considering measures to avoid, remedy or mitigate adverse environmental effects of transmission activities, decision-makers *must consider* the constraints imposed on achieving those measures by the technical and operational requirements of the network.

Policy 4: When considering the environmental effects of new transmission infrastructure or major upgrades of existing transmission infrastructure, decision-makers *must have regard to* the extent to which any adverse effects have been avoided, remedied, or mitigated by the route, site and method selection.

Policy 6: Substantial upgrades of transmission infrastructure should be used as an opportunity to reduce existing adverse effects of transmission, including such effects on sensitive activities where appropriate.

Option 1 (proposed)

The policy intent of the proposed amendments is to better recognise the national significance of electricity transmission through targeted improvements, which will assist in ensuring a more efficient and favourable consenting environment for Transpower. The provisions will ensure:

[68] Transpower estimates that it has spent more than $14 million on involvement in RMA plan processes to ensure the NPS-ET is given effect to appropriately. These costs are due to the large number of RMA plans that Transpower is involved in and different interpretations of and approaches to the NPS-ET by local authorities.

- There is more specific recognition of the technical, operational, and functional needs of the electricity transmission network.
- It is more reflective of the activities and infrastructure that form part of the operation of the electricity transmission network, including access tracks associated with routine maintenance activities.
- There is greater recognition of the full range of national, regional, and local benefits associated with sustainable, secure, and efficient electricity transmission.
- Decision-makers recognise the significant linkages with NPS-REG and the need for the electricity transmission network to support a timely and significant increase in renewable electricity generation capacity.

The proposal would refine and expand the following NPS-ET provisions:

- Provide greater priority to the national significance of the electricity transmission network and enable the full range of national, regional, and local benefits associated with the national grid to be realised (amending Policy 1).
- Provide greater recognition of the dynamic and integrated nature of the renewable electricity system and the critical role of the transmission network in helping to meet New Zealand's emissions targets and budgets (amending Policy 1 or new policy).
- Recognise more specifically the technical, operational, and functional needs of the electricity transmission network (incorporating some of the preamble into clear policy direction and amending existing Policy 3).
- Retain and increase recognition of the site, route, and method selection process in avoiding and minimising the adverse effects of electricity transmission (Policy 4).
- Amend the definition of 'national grid' to be more specific about the activities and infrastructure it includes, including access associated with routine maintenance activities.
- Include new policy directions to recognise the significant linkages with NPS-REG.
- Include new policy direction managing interactions with and effects on Māori interests and protects historic heritage from inappropriate development, for the reasons outlined in Section 4 relating to the NPS-REG.

There also new and amended definitions in the proposed NPS-ET drafts we seek your feedback on.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback, and are excerpts of the relevant parts of the proposed NPS-ET draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 19: Draft provisions for the proposal.

Draft provisions
2.1 Objectives The Objective of this National Policy Statement is that the electricity transmission network is developed, operated, maintained, and upgraded in an effective, efficient, and safe manner, while managing adverse effects on the environment. **Policy 1:** The benefits of the electricity transmission network are realised at a national, regional, and local level. **Policy 2:** Planning decisions: (a) recognise and provide for the national significance of the electricity transmission network; and (b) enable ETN activities to occur in a timely and efficient way; and (c) recognise and provide for the operational and functional needs of the electricity transmission network. **Policy 9:** Reverse sensitivity effects on ETN activities are avoided or mitigated where practicable. **3.2 Consideration of national significance and benefits of electricity transmission network** (1) When making decisions about ETN activities, recognise and provide for: (a) the national significance of the electricity transmission network; and: (b) the need for the electricity transmission network to be developed, operated, maintained, and upgraded, in an efficient and timely manner; and (c) the benefits of the electricity transmission network, which include all the following: (i) supporting reductions in greenhouse gas emissions and the accelerated electrification of the economy: (ii) facilitating the development of new renewable electricity generation: (iii) providing secure supply of electricity to communities, homes, and businesses (iv) providing for the economic, social and cultural well-being of people and communities. **3.3 Consideration of operational and functional needs of electricity transmission network** (1) When considering the operational and functional needs of ETN assets to be in particular location, recognise and provide for: (a) the need for ETN assets to transport electricity over long distances, including: (i) within and across urban, rural, and coastal environments; and (ii) within valued and sensitive environments; and (iii) across jurisdictional boundaries within and across regions; and

(b) the need for the electricity transmission network to operate as an interconnected linear system across New Zealand; and

(c) the requirement for regular maintenance and upgrading of the electricity transmission network.

3.6 Facilitating planned development of electricity transmission network

(1) Regional councils must include objectives, policies, and methods to facilitate long-term planning for investment in ETN assets and the integration of the electricity transmission network with other land uses.

(2) Decision-makers must recognise that the designation process can facilitate long-term planning for the operation, maintenance, upgrade, and development of the electricity transmission network.

Assessment

Effectiveness to support targets

The directiveness of the language in the proposal supports decarbonisation and the accelerated electrification of the economy, by better enabling increases in renewable electricity transmission infrastructure. This aligns with the ERP and the Government's priorities more closely than the status quo. This proposal will therefore more effectively address the issues identified in the current NPS-ET.

Environmental outcomes

While the scope of the proposal does not explicitly provide for environmental co-benefits, it does not preclude this to occur in practice through design, consenting, environmental management and implementation which is addressed through provisions in section 10. The proposal provides for positive environmental outcomes with respect to helping reduce emissions.

Te Tiriti o Waitangi

The intent is that this proposal will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. The proposal seeks to strengthen policy direction for ET without undermining existing provisions and protections for Māori interests in national direction, lower order plans and consenting processes.

Consenting efficiency and certainty

The increased specificity in the proposal regarding consenting processes will provide greater certainty for applicants and decision-makers as to the weight that should be given to ET. By contrast, retaining the status quo risks entrenching barriers to the increased scale of ET development needed to support emissions reduction budgets and targets.

Overall assessment

Overall, the preferred option is considered to be better than the status quo as it provides greater clarity regarding the legal weighting of ET in planning decisions, while retaining processes to appropriately identify and address environmental and cultural effects.

Table 20: Assessment of options.

Criteria	Status quo	Proposal (preferred option)
Effectiveness to support targets	0	+
Environmental outcomes	0	0
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

9. Recognising and providing for national significance on electricity transmission
9.1. To what extent do you agree with the problem statement for this section?
9.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
9.3. Are there other benefits from electricity transmission activities that have not been identified?
9.4. Are there any relevant provisions from the existing NPS-ET that in your view should be retained?
9.5. Please provide any evidence or examples to support your view.
9.6. Please provide any comments about this section.

Section 10: Managing the environmental and amenity effects of electricity transmission

Problem statement

The NPS-ET has outdated, incomplete and unclear direction on how to manage interactions with and effects on significant natural environment values, and to a lesser extent, local amenity values.

The existing provisions in the NPS-ET for managing environmental effects of the electricity transmission network (ETN) have created several difficulties.

First, they do not adequately recognise the importance of allowing essential maintenance activities that typically have minor adverse effects.

Second, there are separate policies in the NPS-ET for considering and managing the effects of minor, major and substantial upgrades to existing ET infrastructure. These provisions are creating some inconsistent and complex consenting requirements for upgrading existing transmission infrastructure. Planning documents have also been inconsistent in giving effect to those provisions.

Third, although the direction in Policy 7 and 8 of the NPS-ET to 'minimise' and 'seek to avoid' adverse effects on certain sensitive and valued environments has helped Transpower to operate in these sensitive environments to some extent, the policies have recognised limitations. Simply testing whether efforts have been made to avoid significant effects (as directed by Policy 8) has been criticised as serving little resource management purpose if those effects will arise. This 'seek to avoid' approach is also now inconsistent with more recent effects management frameworks/hierarchies which are clearer in terms of the steps that should be taken to avoid and manage adverse effects where practicable. The policy directions in Policies 7 and 8 are incomplete in the sensitive and significant environments and values they apply to. For example, there is no mention of the coastal environment or significant natural areas.

This has created some uncertainty and inconsistent interpretations in practice. The terminology used in the two policies is also not consistent with common terms used in Part 2 of the RMA, more recent national directions, and current planning practice (for example, in relation to outstanding natural features and landscapes, and areas of outstanding natural character in the coastal environment).

Finally, related to the other issues above, other NPS are creating new effects-management requirements that trigger additional consenting processes for routine maintenance and electricity transmission upgrade activities. This is creating time pressure for when upgrades and maintenance can occur. For example, the time it takes to obtain consent reduces or closes the window for when the activity is scheduled to occur if there are seasonal or species-management timeframes involved, alongside other grid requirements such as scheduled outages.

We have split the options below into two levels: policy direction for 'minor ETN activities' and policy direction for 'ETN development activities' – both terms are defined in the NPS-ET exposure draft released alongside this consultation document and provided below.

Options in relation to minor electricity transmission activities

Option 1 (proposed)		Status quo
Allow 'minor ETN activities' without restriction - provided adverse effects are avoided or mitigated where practicable.	**or**	Existing provisions

Status quo

There are a number of NPS-ET policies relating to the operation, maintenance and upgrading of the ETN including policies 2 to 8 – the relevance of which will depend on the nature, scale and location of the ETN project.

Option 1 – minor ETN activities

This would involve new policy direction to:

a. Enable minor ETN activities without restriction provided adverse effects are avoided or mitigated where practicable

b. Enable minor ETN activities to occur in a timely and efficient way.

A new definition of 'minor ETN activities' would be included in the NPS-ET as follows: –

minor ETN activities *means:*

(a) activities required for or associated with the operation or maintenance of ETN assets; or the upgrade of, or changes to, ETN assets where the upgrade or other change:

(i) will have no more than minor adverse effects on the environment over time; and

(ii) results in the assets occupying a physical space, in any direction, that is the same as, or is not significantly greater than, the existing ETN assets; and

(b) includes activities such as vegetation clearance, tree trimming, maintaining and improving access roads and tracks, and replacing structures with like-for like structures

The policy intent is to enable minor ETN activities to occur in a timely and efficient way without restriction, while still ensuring Transpower takes appropriate steps to avoid or mitigate adverse environment effects to the extent practicable using its standard industry standards and operating procedures. Transpower has well-established industry standards and operating procedures for routine operation, maintenance and upgrade activities developed with input from ecologists and other environmental experts. This policy direction could be further supported through amendments to the NES-ETA (discussed in section 11).

Draft provisions

Table 21: Draft provisions for the proposal

Draft provisions
Policy 3: Minor ETN activities are enabled. **3.7 Minor ETN activities** (1) Decision-makers must enable minor ETN activities to occur without restriction, except that persons undertaking minor ETN activities must avoid or mitigate adverse effects on the environment where practicable.

Assessment – option for existing electricity transmission assets

Effectiveness to support targets

Option 1 will be more effective than the status quo in supporting emissions reduction targets and the accelerated electrification of the economy. Option 1 provides the certainty that routine operation, maintenance, and minor upgrade activities can be undertaken without unnecessary restriction.

Environmental outcomes

With more activities being enabled to help support existing infrastructure, it is unlikely that environmental outcomes will improve as a result from either of the options. While there is potential that the less stringent Option 1 could result in some adverse environmental outcomes. This risk is low given the typical adverse effects of the minor ETN activities provided for which can be effectively managed through industry standards and operating procedures.

Te Tiriti o Waitangi

The intent is that the options will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. Option 1 seeks to strengthen policy direction for minor ETN activities without undermining existing provisions and protections for Māori interests.

Consenting efficiency and certainty

The proposal would allow minor ETN activities to be carried out effectively without undue limitation and is likely to avoid the need for a resource consent in many cases.

Overall assessment

Overall, Option 1 is considered to be better than the status quo as it provides greater clarity regarding how to enable minor ETN activities while ensuring any adverse effects are avoided or mitigated where practicable.

Table 22: Assessment of options for existing electricity transmission assets.

Criteria	Status quo (no action)	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	0
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

Options in relation to new electricity transmission projects and more than minor upgrades ('ETN development activities')

New transmission and larger upgrade projects generally have the potential for more significant adverse effects on the environment and interactions with other competing values. We therefore propose these activities are defined and a separate policy framework applies (compared to 'minor ETN activities') with the options being consistent with those outlined for REG activities in sections 2, 3 and 4 of this consultation document.

The proposed definition of ETN development activities in the NPS-ET exposure draft is as follows: –

ETN development activities *means*

(a) *the construction of new ETN assets; or*

(b) *the upgrade of, or changes to, ETN assets where the upgrade is not a minor ETN activity and will or may have more than minor adverse effects on the environment.*

Status quo

There are several existing NPS-ET policies relating to new and larger ETN upgrade projects with the following two policies of particular relevance.

- Policy 7: Planning and development of the transmission system should minimise adverse effects on urban amenity, avoid adverse effects on town centres and areas of high recreational value or amenity, and existing sensitive activities.
- Policy 8: In rural environments, planning and development of the transmission system should seek to avoid adverse effects on outstanding natural landscapes, areas of high natural character, areas of high recreation value and amenity, and existing sensitive activities.

Options

The options for ET development activities in this section are the same as the options for REG in sections 2, 3 and 4:

- enabling ET development in areas with significant environmental values (REG equivalent in section 2)
- enabling ET development in other areas (REG equivalent in section 3); and

- recognising and providing for Māori interests (REG equivalent in section 4).

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback, and are excerpts of the proposed NPS-ET draft released alongside this consultation document that are relevant to this section. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Draft provisions

Policy 4: Māori interests in relation to ETN activities are recognised and provided for, including through early engagement and protection of sites of significance.

Policy 5: It is recognised that ETN activities may need to take place in areas with significant environment values and, where adverse effects remain after applying the effects management hierarchy, ETN activities are enabled if the national significance and benefits of the ETN activities outweigh those remaining adverse effects.

Policy 6: In areas that are not areas with significant environment values, ETN activities are enabled provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable.

3.4 Providing for Māori interests in relation to ETN activities

(1) Decision-makers must be satisfied that REG activities recognise and provide for Māori interests, including through:

(a) early engagement with tangata whenua in a way that is meaningful and, as far as practicable, in accordance with tikanga Māori; and

(b) ensuring that ETN activities on or near sites of significance to tangata whenua (including wahi tapu) are undertaken in a way that provides for the significance of the sites.

3.5 Considerations for ETN development activities

(1) When considering the environmental effects of ETN activities, decision-makers must consider the extent to which any adverse effects have been avoided, minimised, or remedied by the route, site, and method selection.

3.8 Areas with significant environment values

(1) Allow ETN activities in areas with significant environmental values only if:

(a) there is an operational or functional need for the ETN assets to be located in that area; and

(b) the ETN activities are nationally or regionally significant; and

(c) the effects management hierarchy is applied.

(2) The effects management hierarchy is as follows:

(a) adverse effects are avoided where practicable; then

(b) where adverse effects cannot be avoided, they are minimised where practicable; then

(c) where adverse effects cannot be minimised, they are remedied where practicable; then

(d) where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable then

(e) if offsetting of more than minor adverse effects is not practicable, compensation is provided; then

(f) Option 2A (same rule for all) if compensation is not appropriate to address any residual adverse effects:

(i) the ETN activities must be avoided if the residual adverse effects are significant; but

(ii) if the residual adverse effects are not significant, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects.

(f) Option 2B *(special rule for significant natural areas)* if compensation is not appropriate to address any residual adverse effects:

(i) in the case of ETN activities with adverse effects on a significant natural area:

(A) the ETN activities must be avoided if the residual adverse effects are significant; but

(B) if the residual adverse effects are not significant, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects; and

(ii) in all other areas with significant environment values, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects."

(3) When considering offsetting and compensation, have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other relevant nationally or internationally recognised principles.

3.9 Areas that are not areas with significant environment values

(1) In relation to areas that are not areas with significant environment values, enable ETN development activities provided the adverse effects of the ETN development activities on the values of the area, including any local amenity values, are avoided, remedied, or mitigated to the extent practicable.

(2) When considering changes in local amenity values from ETN development activities, recognise that changes in amenity values are not, of themselves, an adverse effect, and that:

(a) changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and

(b) the changes are likely to have wider benefits to the wellbeing of people and communities, including future generations.

Assessment

The options update the "seek to avoid" approach in status quo with clearer effects management frameworks that are aligned with recent practice. Transpower has noted that the "seek to avoid" approach has helped them operate alongside existing policy statements such as in the coastal

environment. In other respects, the assessments and assessment tables provided in sections 2, 3 and 4 relating to REG projects also applies to these options.

10. Managing the environmental and amenity effects on electricity transmission

10.1. To what extent do you agree with the problem statement for this section?

10.2. To what extent do you agree that the New Zealand Coastal Policy Statement poses particular challenges for consenting transmission activities onshore in the coastal environment?

Questions on minor ETN activities

10.3. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?

10.4. To what extent do you agree with the definition of minor ETN activities?

10.5. How can the proposals better provide for the operation, maintenance, and upgrade of existing transmission activities in the coastal environment?

Questions on ETN development activities

10.6. To what extent do you agree with the definition of ETN development activities?

10.7. To what extent do you agree that the options for ETN development activities should be consistent with the options for the REG in section 2 (enabling ET in areas with significant environmental values?)

10.8. Please rank the options in order of preference: [Option 1, Option 2A, Option 2B, Option 2C or status quo].

10.9. In your view, does the effects management hierarchy for ET in option 2 work for all significant environment values?

10.10. To what extent do you agree that the options for ETN development activities should be consistent with the options for the REG in section 3 (enabling ET in other areas, including areas with amenity values)?

10.11. To what extent do you agree that the options for ETN development activities should be consistent with the options for the REG in section 4 (recognising and providing for Māori interests)?

10.12. Please provide any evidence or examples to support your view.

10.13. Please provide any comments about this section.

Section 11: Amending the NES-ETA

The National Environmental Standards for Electricity Transmission Activities 2009 (**NES-ETA**) provide nationally consistent rules and standards for the operation, maintenance, upgrading, relocation, or removal of 'existing transmission lines' that were operational when the regulations came into force (14 January 2010). The NES-ETA contains rules and standards that enable the operation for a number of transmission lines (overhead and underground), and maintenance and upgrading activities to be undertaken as permitted activities, subject to compliance with permitted activity standards.

National Environmental Standards (NES) are regulations made under section 43 of the RMA. NES prescribe standards for environmental matters and can operate as plan rules to provide greater consistency and certainty in resource consent requirements nationally. NES can apply across the country or to specific areas. NES generally prevail over plan rules, except where a NES expressly states plan rules can be more stringent or lenient. Local authorities must amend their plans if any plan rule duplicates or conflicts with a provision in the NES. NES have already been prescribed for a range of activities under the RMA, including for electricity transmission activities.

Work relating to NES (amending or introducing) is subject to a subsequent exposure draft process under the RMA.

Any changes to or new NES that may be implemented under the RMA would also need to be prepared in a way that allows transition to the National Planning Framework in the future resource management system.

The NES-ETA has generally been effective in achieving its objective and is viewed by Transpower as being critical for essential transmission line maintenance and upgrade activities. The 2019 review of the NES-ETA found that the NES-ETA it is meeting its objective by:

a. facilitating the operation, maintenance and upgrading of the existing transmission network
b. replacing locally variable rules with a nationally consistent set of regulations for electricity transmission activities relating to existing transmission lines
c. reducing the time and cost of resource consent processes and resulting in fewer and less complex consent requirements to approve electricity transmission projects compared to before the NES-ETA came into effect[53].

For Transpower, the NES-ETA provides certainty that substantial portions of projects can be carried out without having to apply for resource consents, while consent authorities can be confident that an approved process is followed to ensure potential adverse effects on the environment are avoided or appropriately managed[54].

Problem statement

While the NES-ETA is generally recognised as being effective and essential for the operation, maintenance and upgrading of the national grid, the NES-ETA evaluation report identified that it:

- Had less impact on streamlining consent processes for projects located in more sensitive areas or requiring more significant structural changes.

- May not be enabling enough to support New Zealand's renewable electricity and emissions reduction targets.
- Could better enable routine maintenance activities with minor environmental impacts[55].

Subsequently, Transpower has identified a range of workability issues that affects definitions, regulations, and schedules. These are identified in Appendix B.

Options

Option 1 (proposed)		Option 2		Status quo
Enable activities with mainly visual effects, align with updated standards and definitions, and propose other minor alterations to definitions to improve workability	**or**	Broader changes which would improve the operational flexibility of the National Grid, but may conflict with other values or further evidence is required on the problem and potential adverse effects	**or**	Existing provisions

Status quo

The NES-ETA contains requirements and conditions needed to meet permitted, controlled, and restricted discretionary activity statuses. It covers the following types of activities:

- Operation of transmission lines or use of access track
- Overhead conductors, earth-wires, overhead telecommunication cables, and adding overhead circuits
- Increasing voltage or current rating, underground conductors, and undergrounding transmission lines
- Transmission line support structures: alteration, relocation, and replacement
- Temporary structures and temporary line deviation
- Transmission lines removal
- Telecommunication devices
- Signs
- Transmission line support structures: discharges from blasting and applying protective coatings
- Discharges to water
- Trimming, felling, and removing trees and vegetation
- Earthworks
- Noise and vibration from construction activity
- Other transmission activities.

Due to its length and technical nature, the provisions have not been reproduced here, but can be found on the legislation.govt.nz website as Resource Management (National Environmental Standards for Electricity Transmission Activities) Regulations 2009[69].

Option 1 – Provide a more enabling framework for activities with mainly visual effects, alignment with updated standards and definitions, and other minor alterations to definitions improve the workability of the NES-ETA (proposed)

The proposal is to make a number of improvements to the NES-ETA to:

- Provide a more enabling framework for activities with mainly visual effects
- Align the provisions with updated standards and definitions
- Make other minor alterations to improve the workability of the NES-ETA. These are primarily focused on scope, workability and improving clarity rather than significant changes to the regulations or underlying policy intent.

The changes being proposed will improve the national consistency and efficient operation of transmission activities while having little or no effect on significant environmental values. Several of the provisions include controls or restrictions that are related only to amenity or are outdated.

Updated industry guidelines and national standards

The proposal would update the conditions in regulation 10 to reflect the latest international thinking on magnetic flux density exposure and ensure electromagnetic field modelling undertaken by the national grid operator aligns with current line rating practices.

The proposal is to update the definitions of *earthworks, historic heritage, wet abrasive blasting* and *dry abrasive blasting* in the NES-ETA so that these are consistent with the definitions contained in other planning documents and plans.

The proposal would remove the permitted activity standard requirement in Regulation 33, that earthworks must not be carried out on land a local authority has identified as containing, or possibly containing, contaminants that pose a risk to the environment. These activities can be adequately addressed by applying the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NESCS).

A more enabling framework for activities with mainly visual effects

Similar to the approach taken in Section 3 in regard to renewables with local amenity effects, this proposal seeks to provide a more enabling framework for transmission network maintenance and upgrade activities where the effects of the changes are limited to visual amenity effects. It is noted that existing transmission lines are defined in the NES-ETA as those which were operational as of 14th January 2010 (or which have since been altered or replaced in accordance with the NES-ETA),

[69] Resource Management (National Environmental Standards for Electricity Transmission Activities) Regulations 2009 (SR 2009/397) (as at 20 May 2014) Contents – New Zealand Legislation

and that the visual effects of these transmission activities are already well established within the local environment.

The proposal would make the following changes to regulations.

Table 23: Proposed changes to the regulations.

Regulation	Amendment
Regulation 6 Overhead conductors	Increasing the number of conductors that are permitted in the same phase, as part of the configurations of new overhead conductors, from two (duplex configuration) to four (allowing triplex and quad configurations). Amending the provision to permit the addition of overhead conductors when these are part of adding an overhead circuit.
Regulation 7 Earthwires and telco cables	Removing the restriction on the number of earth wires and telecommunication cables per transmission line support structure.
Regulation 8 Additional overhead circuits	Remove the condition requiring transmission line support structures to have been designed and built for additional circuits in order for additional circuits to be installed as a permitted activity.
Regulation 9 Overhead conductors, earthwires, telco cables and circuits	Remove regulation as the matters of discretion are limited to visual effects. Instead, these activities will be permitted activities, as covered by amended Regulations 6 to 8.
Regulation 12, 15 and 16 Underground lines, Line support structures	Removing the matter of control/restricted discretion in relation to visual effects.
Regulation 14 Line support structures	Amend the conditions to allow transmission line support structures to be increased an additional 10 percent in height than the current permitted activity standard (from 15 per cent to 25 per cent). Also allow poles to be replaced with towers and allow towers to be replaced by other replacement support structures (so long as they are within the tower envelope for permitted activities).

Other minor alterations to improve the workability of the NES-ETA

The proposal also includes other minor amendments to definitions.

Table 24: Other proposed minor amendments.

Definition	Amendment
Land	Remove and rely on the interpretation in the RMA.
National Grid	Better represent the full range of activities which are associated with operation, maintenance, upgrade and development of the transmission network used or owned by Transpower.
Temporary line deviation	Remove 'during maintenance and upgrades'.
Termination structure	Include 'gantry' in the definition.
Transmission line	Replace 'overhead or underground transmission' with 'overhead and/or underground transmission'.

Option 2 – Broader changes which would improve the operational flexibility of the national grid but may conflict with other values, or there is insufficient evidence of the problem

Option 2 makes additional changes which would apply a more permissive regulatory framework to a wider range of transmission operation and upgrade activities. This would support the improvement of the operational flexibility of the national grid by reducing consenting requirements.

However, doing so could result in adverse environmental effects or potentially have implications for landowners. These changes have not been included under Option 1, as the environmental effects of a more permissive framework are not sufficiently clear, or there is insufficient evidence that current national environmental standards are unsuitable to regulate these activities.

Several of the issues are also within the scope of the infrastructure standards for the NPF and considering these changes as part of the NPF may provide a more integrated and efficient approach to enabling the effective operation of essential infrastructure. For example, the development of an operational noise standard for transmission assets requires further detailed assessment and technical analysis, and consideration of whether it (or a similar standard) could or should apply to other classes of infrastructure as needed. The same applies to earthworks and vegetation clearance.

Increasing the permissiveness of the activity statuses (for example, from 'controlled' to 'permitted') has the potential to conflict with other values and activities, if not backed by best practice standards, guidelines, or methods to ensure effects on the environment are minimised to the extent practicable. The development of infrastructure standards for the NPF is specifically looking at how to reduce consenting requirements through permitting such activities, subject to relevant standards.

As such, amendments within Option 2 seek further feedback from stakeholders on the scientific and technical aspects of these amendments and existing information that could be used to develop suitable best practice guidelines. This feedback will enable the Government to assess whether a potential change can be addressed as a straightforward amendment to the NES-ETA in the transition period, or rather whether it is best incorporated into broader infrastructure standards for the NPF.

Potential amendments to NES-ETA which are part of Option 2 are organised into the following categories for the purposes of gathering further evidence on the problem and obtaining further information on the environmental effects of the relevant activities[70]:

Category 1: Amendments to definitions which may conflict with other values or have implications for landowners.

Category 2: Amendments to definitions where there is insufficient evidence that the issue is widespread or will result in barriers to obtaining consent.

Category 3: Amendments to regulations which may conflict with other values or have implications for landowners.

Category 4: Amendments to regulations where there is insufficient evidence that the issue is widespread or will result in barriers to obtaining consent.

Table 25: Proposed amendments to definitions which may conflict with other values or have implications for landowners (including the implications of consequential amendments to the NES-ETA because of the change in definition).

Definition	**Amendment**
Upgrade	Replace with definitions for 'routine maintenance activities' and 'substantial/major upgrade activities'.
Natural area	Replace with a definition of 'protected areas', aligning its use in provisions with the definitions and rules in district plans.
'Base footprint' 'Base height' 'Base position' 'Base width' 'Envelope for controlled activities' 'Overland flow path'	Remove definitions, reflecting changes to the regulations.
Removing clause (2) in the interpretation section	Remove so that the reference to 'base requirements' is deleted.

[70] It is acknowledged that some potential amendments may conflict with other values or have implications for landowners as well as there being insufficient evidence of a widespread issue or barrier to obtaining consent.

Table 26: Category 2 - Amendments to definitions where there is insufficient evidence that the issue is widespread or will result in barriers to consenting transmission operation, maintenance, and upgrade activities.

Definition	Amendment
Guy wire	New definition
Transmission line	Adding 'conductors' in the definition
Pole	Amending the definition of a pole to specifically clarify that these can be made from any material

Table 27: Category 3 - Amendments to regulations which may conflict with other values or have implications for landowners.

Regulation	Amendment
New regulations to be added	Introduce nationally consistent rules for the buffer corridor and protection from third parties. Add a new schedule to set out the requirements for indigenous vegetation trimming, felling and removal which is carried out as a permitted activity; covering initial appraisal, site assessment, bird nesting management, bat roost management, lizard management, works within 5 metres of a waterbody, works to be undertaken by an arborist, storage and stockpiling of chemicals and contaminants, effects on surrounding areas, managing debris and pre-commencement information requirements.
Regulations 28, 29, and 31 Discharges to water and vegetation removal	Broaden the scope by amending the wording to the "National Grid" in place of "an existing transmission line".
Regulation 10 Increasing voltage	Align the climatic conditions with Transpower's common practice for modelling EMF (e.g., replace stated conditions, and instead state 'using conservative climactic conditions').
Regulation 14 Line support structures	*Regulation 14:* Increase the permitted footprint and height of transmission line support structures from 15 per cent to 25 per cent, and remove the condition that additional height must comply with public view shafts.
Regulation 15 Line support structures	Delete clause15(1)(c) and clause 15(3) relating to the controlled activity envelope and repositioning more than 10m from the pole base position.

Regulation 17 Temporary structures and deviations	Amend 17(3)(a) and 17(3)(b) so that temporary structures can be erected and removed up to 60 working days before the start/end of maintenance and upgrading, as opposed to 20 working days which is the current permitted standard.
Regulation 25 Discharges from blasting	Amend the permitted activity conditions for both dry and wet blasting to refer to setbacks from a 'sensitive land use activity" rather than an "occupied building" Amend the provisions to allow dry blasting to take place closer to water bodies (10m setback instead of 50m) and sensitive activities (20m instead of 100m). Increase the permitted height of dry blasting activities from 1m to 2m above ground level.
Regulation 26 Discharges from blasting	Broaden provision to apply not only to discharges from blasting existing transmission lines, but also new transmission lines, and refine the matters of control to cover the effects on human health (instead of "health") and the effects on sensitive activities and use of public roads (instead of "occupied buildings".
Regulations 28 and 29 Discharges to water	Amend provisions so that discharges to land where they may enter water are also covered by the permitted activity standards.
Regulation 30 Vegetation removal	Broaden the trees and vegetation trimming permitted activity provisions to specifically cover the removal of indigenous vegetation, revegetation planting, amenity planting, indigenous vegetation in road reserve and exotic vegetation as required to ensure the ongoing and safe operation and maintenance of the National Grid subject to Schedule 2 (added in place of the current conditions).
Regulation 33 Earthworks	Refer to a *protected area* in place of *natural area* in the regulations setting out the permitted earthworks activities. Add additional permitted activities standards, that earthworks within a protected areas must not exceed $50m^3$ per mid span earthworks and $50m^3$ for works platforms, per transmission line support structure. Clarify that erosion sediment control must be applied and maintained within 50m of a waterbody and/or the coastal marine area. Replace the wording in the permitted activity standard that earthworks must not create or contribute to 'drainage problems or flooding of overland flow paths' with the wording it must not create or contribute to 'flood risk in identified flood hazard areas. Remove the permitted activity standard requiring that earthworks must not be carried out on the bed of a lake or river in the coastal marine area. Amend the permitted activity standard for earthworks requiring that these not be carried out "in a historic heritage area unless they are carried out on an archaeological site in accordance with the Heritage New Zealand Pouhere Taonga Act 2014". Replace this wording to state that earthworks must not be carried out "on a site containing an identified historic heritage item or setting".

Regulation 34 Earthworks	Amend 20(2)(f) so that control is reserved over the effects of *"instability, erosions or flood risk" rather than "drainage, flooding and overland flow paths".*
Regulation 35 Activities affecting heritage	Remove "effects on drainage, flooding and overland flow path".
Schedule 1 Tower envelopes	Expand the permitted activity envelope for towers from 60% to 150% and delete the controlled activity envelope.

Table 28: Category 4: Amendments to regulations where there is insufficient evidence that the issue is widespread or will result in barriers to consenting transmission operation, maintenance, and upgrade activities.

Regulation	**Amendment**
General	Refine provisions to simplify the NES (e.g., Regulation 6 and 8 relating to overhead conductors and circuits could be combined).
Add new regulations	Add new regulations to: • Establish an operational noise standard. • Clarify the roles and responsibilities of consent authorities in relation to transmission activities • Encompass the matters covered in other national direction relevant to transmission, so that the NES-ETA becomes a 'one stop shop' for regulating existing transmission activities
Regulations 8, 9, 16, 22, 24, 27, 32 and 36 *Various*	Provide a more enabling activity status (e.g., from controlled, to permitted, or from restricted discretionary to controlled) where the effects can be suitably managed by standards and conditions.
Regulation 13 Increasing voltage	Simplify the wording of the regulation to state that any breach of the permitted and controlled activity standards is non-complying.
Regulation 15 Line support structures	Add a matter of control related to earthworks, clearance of trees and vegetation and the restoration of land.
Regulation 20 *Line removal*	Include the effects of removal works as a matter of control in relation to the removal of transmission lines (regulation 20(2)(b)).
Regulations 22 and 24 Telecommunication devices, Signs	Allow consideration of the benefits to and of the national grid, and the operational and functional needs of the national grid when considering applications for installing or modifying telecommunications devices and signs.

Regulation 35 *Activities affecting historic heritage*	Amend the matters of restricted discretion to allow consideration of the benefits to and of the national grid, the operational and functional needs of the national grid and the effects from flood risk in an identified flood hazard area.

We are seeking feedback through this consultation to better understand the urgency of and need for these potential amendments, noting that further workshops may be required with interested stakeholders and Transpower.

Assessment

Effectiveness to support targets

Both options 1 and 2 will help to support emissions reduction targets by having a more enabling framework for electricity transmission activities to support new REG coming online.

Environmental outcomes

With increased activities being enabled to help support existing infrastructure, it is unlikely that environmental outcomes will improve as a result from either of the options. Unless the broader changes in Option 2 were carefully designed, this could have a worse impact on environmental outcomes than the status quo.

Te Tiriti o Waitangi

Similar to the environmental outcomes assessment above, no improvement over the status quo is likely under Option 1. However, Option 2 would need to be carefully designed to avoid any unintended impacts on Māori interests by following the broader, more permissive approach.

Consenting efficiency and certainty

Standards design through option 1 or 2 will provide greater certainty for applicants and decision makers as to the weight that should be given to ET, particularly in relation to existing infrastructure activities.

Overall assessment

Transmission assets are often prominent structures within the landscape which have several environmental effects, including on visual amenity. These effects are unavoidable due to the functional and locational requirements of the National Grid.

Option 1 will provide a more enabling regulations which result in mainly visual effects, thereby prioritising the national significance of maintenance and upgrading this infrastructure. The visual effects of different infrastructure arrangement along transmission lines may be noticeable, however the overall effect will be that this will forms part of the existing National Grid infrastructure. The limitations of this option include not addressing consent requirements which can be unnecessary.

Alignment with updated standards and improved definitions, also part of Option 1, will improve the workability of the regulations and consistency with the interpretation in other planning documents.

Option 2 would improve the effectiveness of the NES-ETA to provide for the operation, maintenance, and upgrade of existing National Grid activities, however the need for some changes is unclear so further stakeholder input is required on the evidence of the issues and the potential for

environmental effects on values other than visual amenity (e.g., waterbodies, indigenous biodiversity, land rights, unmapped heritage etc).

Both options would achieve a greater degree of national consistency and better protect and provide for the operation, maintenance, and upgrade of the National Grid nationally. Overall, Option 1 is assessed as being more effective than Option 2 due its ability to help meet targets and improve consenting, while avoiding the risk of unintended impacts on environmental outcomes and cultural values.

Table 29: Assessment of options.

Criteria	Status quo (no action)	Option 1 (proposed)	Option 2
Effectiveness to support targets	0	+	++
Environmental outcomes	0	0	Not assessed
Te Tiriti o Waitangi	0	0	Not assessed
Consenting efficiency and certainty	0	+	+
Overall assessment	0	+	Not assessed

11. Questions on amending the NES-ETA

11.1. To what extent do you agree with the problem statement for this section?

11.2. To what extent do you agree that the NES proposal appropriately addresses the problem and the policy objectives?

11.3. Do you think that improvements to the NES-ETA should be progressed as amendments to existing regulations under the RMA or through the development of the NPF? Please explain why.

11.4. Please provide any evidence or examples to support your view.

11.5. Please provide any comments about this section.

Section 12: High-voltage electricity lines not owned or operated by the national grid

Problem statement

There is currently no national direction applicable to distribution networks. However, high-voltage lines, defined as those at or above 110 kV, play identical roles and have identical effects whether they are owned and operated by the national grid or another party. High-voltage lines play a critical role in the electricity system, connecting electricity flows from electricity generation facilities the national grid to consumers and communities across the country.

Options

Option 1		Status quo
Include high-voltage lines owned or operated by distribution companies and REG developers in provisions relating to transmission infrastructure	**or**	Existing provision (National grid means the assets used or owned by Transpower NZ Limited.)

Assessment

High-voltage lines owned or operated by distribution companies and REG developers could be included in the scope of the provisions relating to transmission infrastructure. This is because these lines are the same kinds of assets: they perform the same function and have the same environmental effects as lines owned by the national grid (that is, by Transpower). However, this consultation document does not propose to include lower-voltage distribution assets (less than 110 kV).

The wider distribution network is different from the national grid in several ways, including scale and operating environments (for example, local power lines are often located within road reserve). The operation, maintenance and upgrading of these distribution activities can be well provided for in the planning system through designations and network utility rules.

Lower-voltage distribution activities are of national significance to the electricity network but do not face the same consenting barriers as faced by transmission activities. Further, the NPF is picking up the 2019 Draft Network Utility Rules and therefore any further consideration of distribution infrastructure would duplicate that work.

However, we note that any provisions in relation to tree and vegetation trimming could be equally relevant to both the transmission and the distribution network.

12. Questions on high-voltage electricity lines

12.1. Do you agree that electricity transmission provisions that apply to the national grid should be extended to also cover high-voltage transmission lines not owned and operated by the national grid?

12.2. In your view is 110 kV an appropriate threshold for determining high-voltage transmission?

12.3. Are there any technical or other differences that policymakers should be aware of that could result in unintended consequences?

12.4. Please provide any evidence or examples to support your view.

12.5. Please provide any comments about this section.

PART D: IMPACT ASSESSMENT

Section 13: Impact Assessment

This assessment focusses on the proposed options of the priority amendments to the NPS-REG and NPS-ET. Comments are provided to clarify the options being assessed where applicable.

Similar impacts are expected from the proposals relating to NES. In addition to the impacts of the proposed amendments to the NPS-REG and NPS-ET, the NESs will provide greater certainty for parties and activities covered by the scope of the standards. These are the parties who wish to develop small and community-scale wind and solar generation, developers seeking to upgrade or repower existing developments, and Transpower, as the owner and operator of the National Grid.

This impact assessment is preliminary as we await to receive more comprehensive information from stakeholders as part of this consultation. This feedback will enable a more detailed regulatory impact assessment of options to be carried out and a section 32 evaluation to be prepared to inform final policy decisions.

Do the proposed amendments to the NPS-REG and NPS-ET meet the objectives?

Substantially increase the amount of renewable electricity consented and to achieve this by increasing the efficiency and consistency of renewable electricity generation and electricity transmission while managing adverse effects on the environment (Overarching objective).

The proposals will provide greater certainty of process and outcome for generators, Transpower and other interested parties. The focus of the amendments is providing a clear, nationally consistent consenting pathway for REG and ET that sets out the steps and tests that would need to be met.

This will increase predictability for applicants and other interested parties improving efficiency and timeliness for all parties. The proposal's greater specificity on requirements relating to the interests of Māori addresses a current gap and provides for more certainty for applicants and interested parties on what is expected for a successful consent application.

Provide more enabling policy direction for renewable electricity generation (REG) and electricity transmission (ET)

The proposals provide stronger and more directive policy to enable REG and ET activities at all scales to meet renewable electricity and emissions reduction targets. A greater emphasis is placed on wind and solar generation with an improved focus for small and community scale generation. This will increase the certainty for applicants and interested parties on the outcomes of consent applications.

Better manage competing interests with other Part 2 RMA matters through nationally consistent consenting pathways

Specified consenting pathways involving 'gateway tests' and effects management approaches are proposed which will provide increased clarity for development and upgrades of REG and ET activities. This will increase predictability and therefore cost and timeliness for consent processes.

The proposals create new, nationally consistent consenting pathways for REG and ET development activities to be considered when these have potential adverse effects on competing interests in other national direction instruments and Part 2 RMA matters.

The proposals provide a robust management approach with clear tests that need to be met for REG and ET activities where they are proposed in areas with significant environment values. This also includes an EMH that must be applied in a sequential manner to potential projects. This ensures adverse effects are avoided, minimised, remedied, offset, or compensated (in that order) before a decision can be made based on the remaining adverse effects and the benefits of the REG or ET activity.

Clear direction is also provided so that the national significance of REG and ET activities are enabled in other areas, including effects on local amenity values, so long as these effects have been avoided, remedied, or mitigated where practicable.

While this consultation does not propose that the preferred consenting pathways in the proposed NPS-REG and NPS-ET prevails over the NPS-FM, the proposed NPS-IB and the NZCPS at this time, feedback is sought on the extent to which this is necessary. This could be considered following this feedback for further refinement of the proposed drafts, or to advance as part of the NPF.

Provide for Māori interests for the consenting of REG and ET projects, and incorporate the principles of te Tiriti o Waitangi

Policy direction is proposed to recognise and provide for Māori interests, including for sites of significance and wāhi tapu that may also be subject to heritage protections. Improved policy direction better enables small/community scale REG, which includes providing for Māori to realise their aspirations.

Impacts: Costs and Benefits

The costs and benefits tables below provide an initial assessment of the expected costs and benefits of the proposals on a broad range of public and private potentially affected parties. The table draws on findings in the reports listed in Appendix A and others[71]. We are seeking further information from stakeholders to better understand expected direct and indirect costs and benefits. Once feedback has been considered, a more detailed cost benefit analysis will be undertaken as part of the final regulatory impact assessment and the section 32 evaluation. These will be used to inform final policy decisions.

[71] Te Waihanga (2022) *New Zealand Infrastructure Strategy.* Boston Consulting Group (2022), The Future is Electric, Low Carbon Aotearoa (2022) – An Energy Roadmap to 2030.

Table 30: Additional costs and risks of proposed approach, compared to taking no action

Affected parties	Comment	Impact	Evidence certainty
Iwi/Māori	Increased demand on responding to engagement enquiries for new REG and ET projects (though this generally occurs as standard practice).	Low	Medium
	Increased risk of adverse effects on Māori sites of significance that lack protection in RMA plans and other statutory documents in their rohe (tribal area).	Low	Low
Local government	Increased demand on responding to consenting enquiries and processing consents for new REG and ET projects.	Low	Medium
	Time and cost of implementing strengthened amendments through the possibility of direct insertion of certain policies into planning documents under s55(2) RMA.	Low	Medium
	Time and cost of implementing strengthened amendments through plan changes (although not required in any specific timeframe and would only need to be made when undertaking a plan review). This requirement is also likely to be superseded by Natural and Built Environment plans under the NBE Bill.	Low	Medium
Local communities	Potential impact on local amenity values from REG and ET projects where it is not practicable to avoid or mitigate adverse effects on these values.	Medium	Low
Electricity consumers	None identified.	-	-
Electricity industry	Time required to upskill on amended provisions in each NPS.	Low	Low
Landowners	Potential increased demand on responding to development enquiries for new REG and ET projects.	Low	Low
Environment and the public	Some REG and ET projects may seek to locate in areas with significant environmental values and/or have remaining adverse environmental effects after applying the relevant effects management approach. The specific effects would be assessed and managed on a case-by-case basis based on the consent authority's assessment of the policy direction and the remaining adverse effects and benefits of the specific REG or ET project for which consent approval is sought.	Low - High depending on the specific project and its adverse effects	Low
Central government	Development of implementation guidance documents.	Low	High

Table 31: Additional benefits of proposed approach, compared to taking no action

Affected parties	Comment	Impact	Evidence certainty
Iwi/Māori	Providing for Māori to realise their aspirations for small and community-scale REG.	Medium	Low
	By creating a clear expectation on applicants, generation investors will have strong incentives to work alongside iwi and hapu to protect cultural values.	Medium	Low
Local government	Assist local government to assess REG and ET projects through clear, nationally consistent policy framework rather than leaving it to councils to interpret multiple	Low – high (dependent on renewable	Medium

	policies that have the potential to conflict with each other.	energy resource in area)	
Local communities	Provide increased local energy resilience and investment opportunities, including through small and community-scale REG projects.	Medium	Medium
	Increased job and training opportunities in areas that may be developed with new REG and ET.		
	Contribute to the security, affordability, resilience, independence, and diversity of electricity supply at the regional and local levels.	Low – high (dependent on renewable energy resource in area)	Medium
Electricity consumers	Renewable generation is the cheapest form of generation. The proposals will facilitate the entry of new players and keep a downward pressure on wholesale costs and retail prices through more competition.[72, 73]	Medium	High
Electricity sector	Reduced consenting costs are expected to be significant. In the 2020s, the Boston Consulting Group estimates that investment of $10.2 billion in renewable generation and $8.2 billion in infrastructure estimated to be required. Te Waihanga has found that consenting costs make up around 5.5% of total project cost.[74] If consenting costs are reduced by one percent (i.e. to 4.5% of total project cost point, this would represent costs savings of $102 million for renewable consents and $82 million for transmission-related costs.[75] These cost savings are ultimately passed onto electricity consumers.	High	Medium
	Increased certainty to invest in new renewable electricity infrastructure, and upgrade and maintain existing assets.	High	Medium
	Reduced litigation in the consenting process.	Medium	Medium
Landowners	Increased opportunities for REG developments to be located on their land (with revenue benefits), particularly for diversification in rural areas. Wind and solar can be developed while maintaining other productive land uses. REG projects offer opportunities for landowners to increase the value of their land and preserve existing lifestyle and economic uses of land.	Medium	Medium

[72] Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity. Issues Paper

[73] Climate Change Commission (2021) Modelling energy costs and prices – A technical note supporting Ināia tonu nei (climatecommission.govt.nz) - Page 10

[74] The-cost-of-consenting-infrastructure-projects-in-NZ-final-report.pdf (tewaihanga.govt.nz). Note this research was not specific to renewable electricity generation or transmission projects.

[75] Boston Consulting Group (2022). THE FUTURE IS ELECTRIC. A Decarbonisation Roadmap for New Zealand's Electricity Sector p.3 and p.14 the-future-is-electric-full-report-october-2022.pdf (bcg.com)

Environment and the public	Effects on New Zealand's environment will be minimised through the through effects management approaches. The proposals provide a more permissive consenting pathway for REG and ET development outside of areas with significant environmental values so there is an incentive for applicants to locate outside of these areas. Environmental effects outside New Zealand associated with New Zealand's importation of coal used for electricity generation will also be avoided.	Medium	High
	Accelerated renewable deployment and electrification will reduce New Zealand emissions by 8.7 Mt CO_2-e per year in the 2020s, by 15.6 Mt CO_2-e per year in the 2030s and by 22.2 Mt CO_2 -e per year in the 2040s.[76] Emissions reductions are expected from reduced coal and gas combusted for electricity generation, as well as fossil fuels use directly in the industrial, commercial, and transport sectors.	High	Medium-High
	Contribute to the security, affordability, resilience, independence, and diversity of electricity supply at the national levels.	High	High
	Increased self-sufficiency of energy. Self-sufficiency of energy is decreasing and was at its lowest level of 72.4 per cent in 2021[77] since reporting started in 1990. Reduced coal imports. Coal imports reached a record high of 1.8m tonnes in 2021, the first time on record that New Zealand became a net coal importer.[78]	High	High
Central government	Help meet New Zealand's renewable electricity and emissions reductions targets.	High	High

Risks and uncertainties

The initial assessment of costs and benefits above is preliminary and primarily qualitative. The benefits of the proposals tend to be indirect. While they are significant, it is difficult to attribute the benefits to the proposals versus other factors such as electricity market conditions. In contrast the direct costs are more certain and relate to implementation requirement for councils.

The precise impacts of the proposals are inherently uncertain because local authorities will interpret and apply the policies on a case-by-case basis when REG and ET activities are being proposed. Applying the policy direction requires a highly context-specific assessment of the benefits of the proposed activity and its adverse effects. In relation to areas with significant environment values, there is also uncertainty as to how local authorities will determine whether adverse effects are 'minor than minor' or 'significant'. This assessment will likely be informed by expert input, public submissions and the views of iwi/Māori and local communities.

[76] Boston Consulting Group (2022). the-future-is-electric-full-report-october-2022.pdf (bcg.com), p.14

[77] MBIE (2022). Energy in New Zealand 2022. https://www.mbie.govt.nz/dmsdocument/23550-energy-in-new-zealand-2022-pdf

[78] Ibid

There is also still some remaining uncertainty about the effect of the proposals given this consultation does not propose for the amended NPS-REG and NPS-ET to prevail over the NPS-FM, the proposed NPS-IB and the NZCPS at this time. If these relationships are not addressed through subsequent consultation and policy decision, it will take extra work for consent authorities to assess and interpret relevant provisions across multiple NPSs in the context of any consent application. Proposing a prevailing approach in the coastal environment presents some risk of additional development pressure on protected customary rights, so clarifying the relationships between national direction requires careful management.

Related to this, there is also currently insufficient spatial analysis on the extent to which areas protected by section 6 matters present resource/geographic barriers for future REG and ET development. In the near term, it may be possible for new REG projects to avoid these areas once further spatial analysis has been completed to complement regional spatial strategies and natural and built environment plans under the new RM system. However, over time, given the significant build required, the additive effect of multiple areas that may not be suitable for REG and ET, combined with other factors such as supporting infrastructure and proximity to urban areas, could create spatial constraints and therefore risks that new capacity will not be sufficient to meet emissions and energy targets. We have initiated this task and are working to improve evidence on spatial constraints to inform how the consenting environment can be improved.

Due to these uncertainties, it is difficult to determine with high levels of confidence whether the proposals sufficiently balance the imperative to increase REG output with the protective policies provided by the NPS-FM, the proposed NPS-IB and the NZCPS.

The impact of the proposals will also depend on the success of their implementation, which is further discussed in the next section.

13. Questions on the impact assessment
13.1. To what extent do you agree with the preliminary impact analysis of these options?
13.2. Please provide any evidence or examples to support your view.
13.3. Please provide any comments about this section.

PART E: IMPLEMENTATION, MONITORING AND REVIEW

Section 14: Implementation

How will the new arrangement work in practice?

Local authorities have the primary responsibility for implementing the proposed national direction. We intend that our proposed amendments to the NPS-REG and NPS-ET be in place during the transition to the new resource management system, until it takes full effect. This transition period would be approximately seven to 10 years.

The two NES proposals will follow a slower track. Subject to further government decisions to progress these, they would proceed after the amendments to the two NPSs and a further consultation on an exposure draft would take place. The issues and options identified as part of the NES-ETA will also be considered by Te Waihanga in the development of infrastructure content for the NPF. The implementation, monitoring and review details provided in this section therefore focus on amendments to the NPSs only.

What lessons have been learnt following implementation of the current NPS instruments?

Evaluations of the current NPS-REG and NPS-ET were undertaken in 2016 and 2019 respectively.

The NPS-REG provided a staged implementation period for councils to "give effect" to the NPS-REG in regional policy statements, regional plans, and district plans. Regional councils were first required to ensure that their regional policy statement gave effect to the NPS-REG within 24 months of its commencement.[79] Following the relevant amended regional policy statement becoming operative, local authorities are then required to make changes to regional plans and district plans to give effect to the NPS-REG within 12 months.[80] However, these timeframes were not found to be the main driver to give effect to the NPS-REG and there was a general trend to incorporate the NPS requirements as part of a wider plan review to reduce overall plan change costs.[81]

The NPS-ET provides a more general requirement for all local authorities to make changes to their plans to give effect to it within four years of its commencement.

Both evaluation reports highlighted that several local authorities were yet to give effect to either instrument which continues to remain unclear. These evaluations also highlighted several inconsistencies and limitations in how local authorities have included provisions in their plans to enable REG and ET activities.

[79] Unless already provided for within the regional policy statement of proposed regional policy statement

[80] Unless already provided for within the regional policy statement of proposed regional policy statement, in which case the timeframe was set within 24 months of commencement of the national policy statement

[81] The RMA requires councils to review their regional policy statements and regional and district plans at least every 10 years.

Implementation options for the National Policy Statements

The purpose of the proposed changes to the NPS-REG and NPS-ET is to influence consenting decisions without requiring any plan changes by a set timeframe. This is to reduce administration, time, and cost burden on local authorities (and iwi authorities given the pre-consultation requirement on councils). Currently there are a number of plan change requirements from other national direction and as local authorities transition to the new resource management system.

However, it is important that the proposed changes are implemented effectively by local authorities to ensure the objectives of the proposals are achieved. Table 31 below provides a breakdown of the current implementation options, we are considering for the amendments to the two NPSs. Option 2 is the preferred option as it will ensure the most important objectives and policies are given effect to in a plan in a short timeframe (under s55(2) change), while allowing councils further time to implement the amended NPSs in full via Schedule 1.

Table 32 Implementation options

Option	Details	Pros	Cons
1 – Schedule 1 regional policy statement / district plan change	Direct local authorities to change all regional policy statements and district plans within a set timeframe to give effect to the amended NPSs. Timeframe could be to notify proposed change to regional policy statement or district plan change within 2 years after the commencement date.	High level of certainty that amended NPSs will be given effect to (although practice likely to be variable based on previous experience of existing NPS implementation). Most holistic approach to ensuring the amended NPSs are given effect to in regional policy statements among other national direction and priorities, and through meeting Schedule 1 consultation requirements including with iwi authorities and opportunities for submissions and hearings.	Additional resourcing requirements for iwi authorities given the pre-consultation requirements of Schedule 1. May not be the most efficient approach given all regional policy statements and district plans are proposed to be significantly consolidated into a single regional plan in the new resource management system.
2 – Direct changes to regional policy statements and district plans using section 55(2) of the RMA (i.e. no public plan change required) for	Certain objectives and policies in amended NPSs inserted without using the Schedule 1 public plan change process. Timeframe could be set for notice (under section 55(2A) RMA) of change to regional policy statement or district plan as soon as practicable	High level of certainty that key objectives and policies of the amended NPSs will be given effect to in plans and appropriately considered in consenting decisions. An effective and efficient way to implement key provisions in the amended NPSs and ensure these prevail over inconsistent	Changes under s55(2) will not have supporting rules (as an NPS cannot include rules), which could limit certainty and effectiveness for applicants and decision-makers. However, it is expected most large-scale REG and ET applications will be discretionary

certain provisions and any other changes to be made as part of next plan review. (preferred).	and no later than 6 months. Any provisions not incorporated via Section 55(2) would need to go through Schedule 1 process, and there would be flexibility for this to occur with the next plan change rather than within a set timeframe.	provisions in existing policy statement plans. Reduces costs for local authorities and removes risk of inconsistent approaches to give effect to key provisions. Enables the rest of the amended NPSs to be given effect to through wider plan change to reduce burden and provide flexibility to local authorities.	activities, enabling the provisions to be directly considered.
3 – Reliance on amended NPSs being considered as relevant provisions in resource consent decisions with no immediate changes to regional policy statements or district plans being required.	This option would rely on consent authorities considering the amended provisions under section 104(1)(b)(iii) and this higher order policy direction given more weight than inconsistent, outdated provisions in lower order regional policy statements and district plans. No direction for a change to regional policy statements and district plans with or without using Schedule 1 within a set timeframe. Would default to the requirement in section 55(2D) of the RMA to give effect to NPS as soon as practicable.	Medium level of certainty that amended NPSs would be given appropriate weight in consenting decisions. Lowest resourcing required from councils (including consultation obligations with iwi authorities) until a Schedule 1 change is made.	Effectiveness of option relies on consent authorities taking an approach to an assessment under s104 RMA whereby more recent higher order policy direction is given more weighting than inconsistent, outdated provisions in lower order plans which is supported by some case law.[82] However, this approach is not consistently applied and there is a risk of inconsistent decision-making in terms of the weighting given to the amended NPSs. Less certainty for applicants and decision-makers due to the need to navigate multiple instruments (until a Schedule 1 change is made).

[82] *RJ Davidson Family Trust v Trust v Marlborough District Council* [2016] NZEnvC 81; *Infinity Investment Group Holdings Limited v Canterbury Regional Council* [2017] NZEnvC 36; and *Bunnings v Queenstown Lakes District Council* [2019] NZEnvC 59.

Support for developers and local authorities

In terms of central government support for implementation, MBIE and MfE are intending to prepare a user guide for each of the amended NPSs, with guidance on working through the provisions at both the plan and consenting levels. This would be like the implementation guidance prepared for the current NPS-REG and NPS-ET, albeit revised to reflect the amendments.

Non-statutory planning guidance for renewable electricity generation

Planning and development guidance for REG is a key part of the successful growth of the renewables sector in overseas countries. This can be in the form of statutory or non-statutory guidance, and typically complements policy directions or regulations to achieve the best outcomes. For example, Scotland has strong national direction to increase renewables, accompanied by statutory and non-statutory guidance for developers and decision makers. This has helped facilitate a more than 300 percent increase in total installed capacity of renewable electricity in Scotland between 2009 and 2021.[83]

In 2006, the Parliamentary Commissioner for the Environment[84] explained that consistent support and direction from central government is a major influence on wind power growth, and that policy and guidance that specifically addresses wind power helps to support planning and decision making. The report also emphasises that most countries have carried out studies and developed guidance that focuses on wind power and its effects, especially on the landscape.

There is no current central government guidance to help developers and decision-makers assess environmental effects for resource consent applications for renewable electricity generation projects. The New Zealand Wind Energy Association has filled some of the gaps in this space for wind energy developments,[85] however this is also dated and limited in detail of how to approach competing outcomes such as landscape and ecological interests.

Although this problem statement is framed around wind farms, planning guidance for all renewable electricity generation is important to ensure that the system is future-proofed and is flexible enough to consider all types of REG. Non-statutory guidance could help support developers and decision-makers on best practice and how to assess environmental effects for consent applications for renewable electricity projects.

Guidance would build on the current guidance for wind energy, by updating and expanding on it to achieve greater efficiencies in the consenting of projects. Guidance would also cover the most immediate needs of other renewable electricity generation types such as solar farms, as there is currently no national level guidance to help applicants or decisions makers understand what best practice looks like and how environmental effects should be assessed.

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[83] Scottish Renewables. Statistics https://www.scottishrenewables.com/our-industry/statistics

[84] Wind power, people and place, Parliamentary Commissioner for the Environment https://www.pce.parliament.nz/publications/archive/1997-2006/wind-power-people-and-place

[85] NZWEA (2013). Best practice development guidance for wind farm development.

Victoria[86] and New South Wales[87] in Australia are examples of jurisdictions with non-statutory planning guidance to complement their own planning policies for renewable electricity, with a focus on successful consenting. Both jurisdictions also have guidance for both wind energy and solar farms on important cumulative impacts that need to be addressed.

Guidance for New Zealand could be completed within 12 months of the strengthened policy direction coming into force. Developing the guidance would involve a literature review of similar guidance in other jurisdictions internationally, and targeted consultation with iwi and Māori organisations, local government, and organisations from the electricity industry. It would also be useful to consult with the planning and landscape architecture professions, to test how workable the guidance is in practice.

Institutional support

Through some early discussions with local authorities on these proposals, we have become aware of the struggle some councils face to process resource consent applications for renewable projects. This can often result in applicants for consents having different experiences from council to council. We have also heard that councils vary significantly in how they deal with offsetting and compensation to help reduce environmental effects.

It is important to ensure that the wider regulatory framework supports increased renewable energy. Your feedback on this topic will help clarify what institutional support may be lacking, or could be further developed, to help support the transition to a low-carbon economy with increased REG.

One possible solution that would supplement the non-statutory guidance discussed above could be for central government to offer more consistent advice to developers and local authorities in this area, to help recognise the national significance of renewable electricity projects. Another solution could be for a standardised set of best practice planning conditions that councils can refer to when making their decisions.

Implementation risks

There is a risk that the policy direction in NPS will be interpreted and implemented inconsistently and/or have unintended outcomes. However, this implemented risk is mitigated through clear and directive policies and we are seeking feedback on exposure drafts to ensure the policy wording is clear for local authorities and other stakeholders.

There is a risk that the NPS will impose compliance burden on local authorities ahead of the transition to the new resource management system. This risk is mitigated through the option of no

[86] Specific permit topics, Victoria State Government Environment, Land, Water and Planning https://www.planning.vic.gov.au/permits-and-applications/specific-permit-topics

[87] Renewable energy, NSW Department of Planning and Environment https://www.planning.nsw.gov.au/Policy-and-Legislation/Renewable-Energy

specific requirements/timeframes to change plans to give effect to the NPS's and providing flexibility for any plan changes to be made as part of a wider plan review.

Limited implementation risks are anticipated from proposed NES and these regulations will stand on their own and prevail over any inconsistent plan rules. Any rules that duplicate or conflict with the proposed NES can be addressed by local authorities without a public plan change under section 44A of the RMA.

14. Questions on implementation

14.1. Do you support the use of section (552A) to direct local authorities to insert relevant provisions from national policy statements into regional policy statements, regional plans and district plans without using the standard plan-making process in Schedule 1 of the RMA?

14.2. Do you support providing non-statutory guidance for developing and maintaining renewable electricity generation?

14.3. Do support further central government or other institutional support for councils in making their consenting decisions?

14.4. Are there any implementation risks the government should be aware of?

14.5. Please provide any evidence or examples to support your view.

14.6. Please provide any comments about this section.

Section 15: Monitoring and review

As resource management tools, the NPSs and NESs will be administered by MfE. MfE is responsible for monitoring and supporting the implementation of the national direction instruments and reviewing their effectiveness under the RMA. MBIE will support specific activities, such as in the development of implementation support guidance and in evaluation activities.

In terms of monitoring requirements for councils, the NPSs are deliberately high level and do not set out monitoring methods or timeframes. Information on REG and ET consent applications are typically notified which means the information should be publicly available.

However, this is not always the case as many councils only show what applications have been recently notified i.e. in the past 12-24 months. As discussed earlier in this document, the Low Carbon Aotearoa Energy Roadmap to 2030 highlights that tracking and reporting the environmental impacts of energy activities on a national scale can be difficult. We would encourage all local authorities to keep longer-term records of energy-related consents on their websites to maintain and enhance publicly available information.

This could also be achieved through developing a set of standard conditions for energy-related consents that requires monitoring of specific environmental indicators. We welcome any feedback on these ideas.

The government will develop an evaluation plan to assess the effect and implementation of the proposals in achieving the objectives and the purpose of the RMA in accordance with the Minister for the Environment's functions under section 24(f) of the RMA. It is anticipated that this will involve a review of the consenting process for a selection of renewable electricity generation and transmission projects in terms of timeframes, costs and the outcomes achieved and the influence of the proposals on the consent process and outcomes.

15. Questions on monitoring and review
15.1. Do you agree with the proposed monitoring and evaluation arrangements?
15.2. To what extent do you agree councils should be required to monitor specific aspects of their implementation of the NPSs and NESs?
15.3. Do you agree that information for energy related consents (REG and ET) should be made publicly available and maintained as such on local authority websites?
15.4. What is they key information to be collected, reported and/or published?
15.5. To what extent do you agree standard conditions should be developed for energy related consents (REG and ET), including requirements for monitoring specific environmental indicators
15.6. Please provide any evidence or examples to support your view.
15.7. Please provide any comments about this section.

Appendix A: Government evaluations and independent reviews

Report	Findings	Recommendations/conclusions
Ministry for the Environment (2016) *Report of the Outcome Evaluation of the National Policy Statement for Renewable Electricity Generation*	The Outcome Evaluation Report of the NPS-REG found that the NPS-REG does not change the fundamental way that REG projects are treated through the consenting process and '*does not appear to have had a significant impact on councils' planning outcomes and decision-making in relation to REG projects'.* As a less directive policy tool, the NPS-REG is given less weight in planning and consenting decisions than more directive tools (e.g., NZCPS). This may impact the effectiveness of the NPS-REG in facilitating REG activities.	The report questions whether and how the NPS-REG (and the planning and consenting framework more broadly) can or should better provide for the continuing development and maintenance of REG activities.
Ministry for the Environment (2019) *Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities*	The Outcome Evaluation Report of the NPS-ET and NES-ETA found that while both instruments are meeting their objectives, the effectiveness of the NPS is hampered by those councils who have not yet implemented it. Transpower has reported that delayed implementation of policies 10 and 11 has had significant adverse impact on the ability of Transpower to manage and protect the National Grid.	The Outcome Evaluation Report also finds that both instruments could be 'revisited to ensure their future effectiveness' due to changes in technology and infrastructure, as well as predictions for electricity demand. The NPS-ET could be more specific for reconductoring activities, National Grid changes to accommodate growth, and enabling connections to renewable electricity generation projects. The NES-ETA could also be updated to better enable current routine maintenance practices with minor environmental effects.
New Zealand Productivity Commission (2018) *Low-emissions economy: Final report*	The purpose of this inquiry was to identify options for how New Zealand could reduce its domestic greenhouse gas emissions through a transition towards a lower emissions future, while at the same time continuing to grow incomes and wellbeing. The Commission found that: • Submissions to the inquiry reinforced the findings of the 2016 review, that the NPS-REG '*had almost completely failed to effect significant changes in local authority planning tools, and that, in practice, it had made no difference to the time, complexity and cost of obtaining resource consents for renewable electricity generation investments.'*	The Commission comments that the Government should, with some urgency, prioritise strengthening the NPS-REG and the NPS-ET and prioritise supplementing them with a national environmental standard that will speed decision making on renewable energy generation consents under the RMA. Key recommendations include: **Recommendation 13.3:** 'The Government should give priority to revising both the NPS-REG and the NPS-ET to ensure that local authorities give sufficient weight to the role that renewable electricity generation and upgrades to the transmission network and distribution grid will play in New

	• *'The National Policy Statement for Renewable Electricity Generation 2011 (NPS-REG) is not well-reflected in the planning documents of local authorities and has made no difference to the time, complexity and cost of obtaining consents for renewable electricity generation investments (particularly wind- and hydro-generation). The language of the NPS-REG is not sufficiently directive to give weight to the central role of renewable electricity generation in New Zealand's transition to a low-emissions economy over the next several decades'*. (F13.4) • *'Uncertainty about water rights has the potential to reduce the economic viability of, and so dissuade, further investment in maintaining hydro-electric generating capacity. Allocation of water rights in New Zealand is controversial and successive governments have been cautious in taking steps to increase certainty about them'*. (F13.5). • *'The owner of the transmission grid, Transpower, reports that despite the provisions of the NPS-ET, decisions on resource consents for grid investment projects are highly time consuming and costly and increase uncertainty and risk. Similar types of costs and risks are likely to apply to upgrades of the distribution network, though at a smaller scale'*. (F13.6).	Zealand's transition to a low-emissions economy. This will likely require making the language of the NPS-REG and the NPS-ET more directive, and to be more explicit about how the benefits of renewable electricity generation should be recognised and given effect in regional and territorial authority planning instruments.' **Recommendation 13.4**: The Government should issue a new National Environmental Standard for Renewable Electricity Generation that sets out the conditions under which renewable energy activities are either permitted, controlled, restricted discretionary or non-complying activities under the Resource Management Act 1991. This should be drafted to increase the speed and lower the cost and uncertainty for obtaining resource consents for a significant proportion of renewable electricity generation projects that have only minor environmental and social impacts.'
Interim Climate Change Committee (2019) *Accelerated electrification*	The ICCC found multiple issues with the RMA which have the potential to unduly constrain the required expansion of renewable electricity generation to meet New Zealand's climate change objectives. These include: • Ongoing policy uncertainty regarding the relative priority of the objectives set out in different national direction instruments (particularly between the NPS-FM and the NPS-REG). The NPS-FM creates bottom lines and 'untenable' policy uncertainty for hydro-schemes. • Inadequate national policy direction, means that relatively minor landscape or visual amenity effects can unnecessarily trump the development renewable electricity generation.	There is 'some urgency' to resolving the lack of direction on resolving major trade-offs between renewable generation (and the benefit of reducing emissions), and national and local objectives to restore the health of the environment.
Climate Change Commission (2021) I*nāia tonu nei: a low*	This report recognises the scale of new generation that will need to be built rapidly to meet this increase in electricity demand, however that many	**Recommendation 20** includes: 'Enabling a fast-paced and sustained build of low-emissions electricity generation and infrastructure by ensuring resource

emissions future for Aotearoa	forms of renewable generation will come into conflict with the resource management system. RMA national direction needs to be aligned with the required pace of build.	management processes, other national and local government instruments, and settings for transmission and distribution investment decisions are aligned to the required pace for build.'
Te Waihanga/New Zealand Infrastructure Commission (2022) *Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy*	The New Zealand Infrastructure Strategy found that: • Our planning system slows down essential infrastructure projects. It can take years to get consents for infrastructure projects like wind farms. Consenting infrastructure is costly and the costs are increasing. • Clean electricity will be key to reducing carbon emissions from transport, process heat and agricultural activities. Over the next 30 years we'll need to build significantly more low-emissions electricity generation. • Infrastructure requires special consideration within the planning framework because of its unique characteristics. Streamlined regulatory processes are needed to enable the development of new energy projects.	**Recommendation 6** of the strategy is to "Strengthening existing Resource Management Act 1991 national direction for renewable energy generation and transmission".
Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity. Concept Consulting (2022). Generation Investment survey. Prepared for the Electricity Authority, July 2022. PowerPoint Presentation (ea.govt.nz)	In work for the Electricity Authority, Concept Consulting has identified that wholesale contract prices are currently higher than the cost of new baseload generation (wind and solar). While prices should be returning towards long run marginal cost of wind and solar, the rate at which this appears to be happening is slow, suggesting there is a barrier to investment relative to the rate of demand growth. The survey highlights that wind developers perceive Resource Management Act requirements have a significant effect on development pace	To facilitate investment in new renewable generation, the Authority proposes to invite: MBIE and MfE to bring forward their work to strengthen national direction for renewable electricity to inform local planning and resource management consenting. This should reflect the government's 100% renewable electricity aspiration, electrification and renewable energy goals, and the implications for investment in renewable generation that needs to occur MBIE and MfE to investigate the evidence for, and the merits and feasibility of, applying pro-competitive conditions on consents for renewable generation (e.g., use-it-or-lose it)

Appendix B: Issues with the existing NES-ETA

The following workability issues with the NES-ETA is based on feedback from Transpower.

Issues raised by Transpower include that the NES-ETA[56] has **definitional issues:**

- The first set of National Planning Standards has been released since the NES-ETA came into force. The purpose of the planning standards is to improve efficiency and effectiveness of the planning system, including by providing nationally consistent definitions. Some definitions in the NES-ETA are not aligned with the national planning standards (including earthworks, historic heritage, wet abrasive blasting, dry abrasive blasting). These inconsistencies have caused interpretation issues when used with other planning documents.
- The NES-ETA contains a slightly different definition for *land* than the RMA. This has caused issues in relation to determine who the relevant consent authority is for some activities.
- The definition of the *National Grid* in the NES-ETA has some operational limitations, particularly in relation to activities which are used but not owned by Transpower (e.g., access tracks which are used for the maintenance of the transmission network). In addition, the current definition in the NES-ETA is different to the definition in the NPS-ET, which does include assets '*used or owned by Transpower NZ Ltd*'.
- The *termination structure* definition does not include gantry. These may be required for 220kV lines that transition from an overhead line to an underground cable.
- The definition for *temporary line deviations* includes 'during maintenance and upgrades'. This does not clearly provide for deviations required outside of routine maintenance and upgrade works, for example for unplanned emergency and safety works. Limitations on when a temporary line deviation can occur are already established by regulations 17-18.
- The definition of *transmission line* does not specifically provide for transmission lines which transition from overhead to underground lines.
- The definition of *upgrading* is overly broad and captures routine maintenance activities.
- The definition of a *pole* does not recognise the range of materials now available.
- *Guy wires* are referred to in the NES-ETA but not defined.
- The definition of *natural area* is too vague and does not align with definitions/rules in district plans, making it difficult to apply relevant rules.
- The definitions of base footprint, height, position and width require survey work and information to be retained in the long term which over time, as the position of infrastructure changes, becomes a significant task.

Issues raised by Transpower in relation to **regulations and schedules** include[57]

- Since the NES-ETA came into force on 14 January 2010, the International Commission on Non-Ionizing Radiation Protection (ICNIRP) has updated its guidelines. Current permitted activity conditions in regulation 10 (of the NES-ETA) refer to an outdated magnetic flux density reference level for public exposure of 100 microteslas. This is 100 microteslas lower than the current ICNIRP guidelines.
- Some controls and standards in the regulations limit maintenance and upgrade activities based on their impact on amenity values, rather than impacts on significant environmental values. This has practical and administrative implications for the efficient maintenance upgrade of the National Grid.
- The timeframe for erecting temporary structures in relation to an existing transmission line is too short.
- There are gaps and anomalies in the trimming, felling and removal of trees and vegetation provisions. Transpower must comply with the vegetation trimming/removal/felling requirements of the Electricity (Hazards from Trees) Regulations 2003. However, the NES-ETA does not provide a permitted activity pathway for all these activities.
- Regulations for similar activities (e.g., overhead conductors and circuits) are dealt with under separate provisions, adding to the complexity of the standards.
- The regulations do not include an operational noise standard.
- Given the current state of technology, several activity statuses and conditions are too restrictive and prevent upgrades which would have minimal environmental effects.
- The process outlined for modelling electric and magnetic fields in the NESETA is not aligned with what occurs in practice.
- The height and size limits for structures should be more enabling of upgrades and current technologies, allowing Transpower to use the most appropriate technical solution.
- Public view shafts are unavoidable due to the nature of the infrastructure.
- Dry blasting activities are undertaken close to the ground, often enclosed and the drift is minimal. However, the same restrictions are applied to these activities as for wet blasting.
- The NES-ETA and regional rules can be inconsistently interpreted, particularly in relation to discharges to water. Better alignment is needed.
- Clearer earthwork standards are needed to avoid unnecessary controls on sites that do not present risk. The national environmental standard for assessing and managing contaminants in soil to protect human health (NESCS) are more appropriate to regulate activities on land that is, or potentially is, contaminated. The current regulations in the NES-ETA provide a more complicated consenting pathway and could be better aligned with the NESCS.
- The envelope for permitted activities in the Schedule is too limiting.
- In addition, overlapping national direction creates additional complexity for National Grid maintenance and upgrade activities.

- Transpower has also raised concerns that there continues to be repeated debates about how the model National Grid buffer corridor provisions fit into local plans and continued inaction by some local authorities to implement the buffer corridor provisions through plan reviews and plan changes [58]. There is also a concern that these debates and inefficiencies have increased because of the Medium Density Residential Standards (MDRS) where local authorities are taking different approaches to recognise the National Grid buffer corridor.

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