

**RESOURCE MANAGEMENT ACT 1991
SECTION 49 SUBMISSION ON A PROPOSAL FOR A NATIONAL
POLICY STATEMENT**



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The Auckland Regional Council (ARC) makes this submission in conditional support to the proposed National Policy Statement on Electricity Transmission.

The particular parts of the proposed National Policy Statement that this submission relates to are:

The entire proposal.

1. The reasons for the ARC's submission are:

1.1. Introduction

The ARC supports the provision of greater policy guidance on electricity transmission, as there needs to be a level of consistency in planning for a linear network, where the generation of electricity is often a significant distance from where it is consumed. The ARC acknowledges that there are significant variations between district plans and how they deal with transmission infrastructure. ARC research has confirmed that this is a feature of plans in the Auckland region. This variation has the potential to cause time delays in the scheduling of projects and maintenance. There is a significant concern however that the Proposed National Policy Statement (NPS) advances transmission issues without a sustainability framework and in isolation from the related issues of electricity generation and consumption

The Auckland Regional Policy Statement (ARPS) directly addresses the issues surrounding infrastructure provision, including electricity transmission. In general, the ARPS seeks to enable the provision of new regionally significant infrastructure while ensuring that any adverse effects on the environment are appropriately and fully addressed.

The ARC considers the key issues to be;

- Scope of the NPS.
- Security of supply.
- Constraints to renewable energy

- Urban amenity and growth management.
- Landscape and rural amenity.
- Potential impacts on recreational values and parkland
- Allowance for new technology.

1.2. Scope of the NPS

Transmission is clearly a key component of the electricity system. However it is only one component. Electricity transmission is not an end in itself and should be seen in the context of energy management generally, including the need to move to more sustainable patterns of energy use and production. National policy guidance on electricity transmission should be a means to that end, not an ad hoc response.

The ARC is aware that the Government is advancing numerous work streams in relation to energy management including the National Energy Strategy and potential National Policy Statements on electricity generation and climate change. Although there is some integration between these work streams, it would be preferable for them to be fully integrated, with one National Policy Statement for energy management under the RMA. This would provide an appropriate sustainability framework that should ensure decision making advances the Government's broader environmental objectives, as well as economic objectives. From a practical perspective a multiplicity of policy guidance, even if perfectly complimentary, does not facilitate good implementation.

1.3. Security of Supply

A secure supply of electricity to the Auckland Region with sufficient capacity to meet current and future demand is a fundamental prerequisite to the social and economic objectives of the region. The supply of electricity into the Auckland Region is not adequately secure. The events of Monday 12 June 2006 highlight the fragility of the current system of supply into and around the region, as well as the significant consequences of any disruptions to that supply.

Partial or total losses of supply to the Auckland Region impose significant economic costs not only on Auckland but the whole country. Auckland is competing internationally with other city regions and reliable electricity supply is fundamental to economic success into the future.

Electricity transmission should in no way act as a constraint, or even as a perceived constraint, on the sustainable economic development of the region. Perceived uncertainty over the ability to meet electricity demand in Auckland would hinder the region's ability to attract and retain both the businesses and the skills necessary to foster a strong performing economy. This would act as a significant constraint to sustainable economic development, and would have major adverse socio-economic consequences for the region and the economic growth of the country as a whole.

Issue 5.2.4 of the Auckland Regional Policy Statement (ARPS) acknowledges the importance of security of supply and also notes that adverse effects from energy use, distribution and production may be significant.

“The production, distribution and use of energy is essential for the development, wellbeing and prosperity of the Auckland Region and there would be major socio-economic impacts should, for any reason, the supply of energy be curtailed. However, the production, distribution and use of energy may have adverse effects on the natural and physical environment and some of these effects may be great.”

The ARC supports the recognition of the security of supply issue in policy 1 and considers that benefits from an increased security of supply is a matter which should be acknowledged in resource management decision making.

1.4. Constraints to Renewable Energy

The ARPS clearly favours a shift towards renewable generation of energy and it is important that the NPS facilitates the potential development and contribution of these generation sources in the future.

In accordance with the policy framework set out in Chapter 5 of the ARPS, the ARC advocates integrating into transmission planning the specific requirements and constraints associated with the transmission of electricity generated by renewable energy sources. As such, the NPS should deliver sufficient capacity and flexibility to facilitate a significant shift to alternative generation over the coming decades. However, such flexibility needs to be tempered by and integrated with, for example landscape protection matters.

1.5. Urban Amenity and Growth Management

The Auckland Regional Growth Strategy (ARGS) sets a vision for how the region's growth can be sustainably managed over the next 50 years. It seeks to balance our social, environmental and economic values and concentrate most urban growth in higher density centres so as to make the best use of rapid transit public transport opportunities.

The ARGS identifies town centres for intensification as the focus for urban development into the future. The successful implementation of this strategy is important to meet the transport, energy, and economic objectives of both the ARC and the Government.

Successfully focusing urban development in intensified centres requires the development of pedestrian oriented centres with high quality urban design and amenity. It is important that electricity transmission infrastructure does not adversely affect the amenity of the identified centres and their ability to grow in the way envisaged by the ARGS. Transmission lines should avoid town centres.

identified in the ARGS and urban parks and recreational amenity areas that support them. Any major upgrades to the transmission grid should maintain or, where applicable, enhance the quality of these environments.

1.6. Landscape and rural amenity

The ARC has been through a process of identifying Outstanding Natural Landscapes in the ARPS. These areas should generally be avoided in planning for major infrastructure.

The effects of transmission on other rural areas needs to be carefully considered. Recent district plan changes by the territorial local authorities in the Auckland Region have placed particular emphasis on maintaining and enhancing the rural character, landscape and amenity value of peri-urban areas. Protective measures have been set up which have sought to maintain and enhance the rural amenity values of Auckland's metropolitan edge. With the current and expected population growth in urban Auckland, it is increasingly important that areas of attractive rural amenity in close proximity to the urban areas are protected.

The NPS should provide direction that adverse effects on landscape and amenity can be reduced by giving consideration to co-locating transmission lines in roading corridors or other network utility corridors and co-coordinating the under grounding of transmission lines when either large scale development or roading projects are undertaken. Consideration should also be given to situation where several smaller transmission lines could be replaced by a single line. An additional policy is proposed in section 3.5 of this submission to recognise the opportunities for reducing the adverse effects of transmission infrastructure.

1.7. Potential impacts on recreational values and parkland

The ARC manages a network of 25 regional parks for the benefit of the public. These parks provide an important recreational function in providing an 'escape' from city environments and a rural experience for urban residents and international tourists. While some regional parks are primarily covered in native forest, many have a more open character and are a mixture of forested, pastoral and coastal landscapes. Research confirms that these open rural landscapes are highly valued by park users and landscape quality is a key component of the recreational experience. Transmission infrastructure has the potential to adversely affect that experience very significantly. While the Auckland situation is relatively unusual in a national context and many other regional councils do not administer parks, other parkland administered by the Department of Conservation or territorial authorities will raise similar issues. This may be a particular issue for high country areas.

As proposed, only Policy 3 of the NPS addresses the adverse effects of transmission and that policy tends to limit consideration to the matters set out in section 6 of the Act. This could potentially exclude or limit consideration of adverse effects on areas that have

high recreational value and amenity, but are not in themselves outstanding natural landscapes. The ARC considers this unacceptable and suggests that the NPS provide clear guidance that these areas should generally be avoided in the planning of new infrastructure. An additional policy is proposed accordingly in section 3.5 of this submission.

1.8. New Technology

The NPS needs to be sufficient to allow and potentially require new technology to be introduced in the future where it reduces the environmental effects of electricity transmission. For example, new types of conductors, support structures or technology that reduces the relative cost and maintenance difficulties associated with underground transmission lines.

2. Analysis of the Proposed NPS:

2.1. General

The Section 32 report suggests that justification for the NPS relates primarily to reducing advocacy and resource consent related costs to Transpower.

“The benefits of the NPS stem largely from the cost savings for Transpower, which should avoid some of its current costs of plan advocacy and, in the longer term, reduce conflicts with other activities.”

It is then suggested that this is because such costs are passed on to the public. However costs of implementing the NPS through plan changes will also be passed onto consumers through rates or other mechanisms.

This statement would also seem to be inconsistent with section 3.2.3 of the Draft New Zealand Energy Strategy (DNZES) which states that

*“The government is developing a National Policy Statement and National Environmental Standards relating to transmission under the RMA to improve **environmental outcomes**, including increased certainty and protection for transmission assets” [emphasis added].*

It appears that the working party has included policies that increase certainty and protection of transmission assets but has not fully considered policies which provide greater certainty of environmental outcomes. There is no mention of reduced costs in the DNZES.

The ARC notes that the policies are very brief and often very general. This may have been designed to not unduly restrict the mechanisms to be developed by each local authority to recognise their own unique circumstances. However the very purpose of the NPS would seem to be to provide greater certainty. The wish to be

brief should not be at the expense of providing a sufficient level of clarity and understanding.

The ARC experience is that vague generalised policy statements do not provide useful guidance. Policies need to be sufficiently explicit to provide genuine direction.

Our analysis of the proposed policies is set out below. Suggested amendments and additions follow in section 3.

2.2. Policy 1

This policy raises a number of important issues. However it is not consistent with a policy as defined in the glossary of the Section 32 report as:

“A general course of action to achieve an objective”

There is no guidance in either the wording of the policy or the Section 32 report as to how the policy is to be implemented. The lack of direction in the policy means it reads more as a series of issues.

2.3. Policy 2

Policy 2 is directed at the operation, maintenance and upgrading of the National Grid by Transpower. It is unclear what this policy adds over and above the matters already addressed by Policy 1. It is uncertain how the policy would translate into lesser planning documents.

2.4. Policy 3

The policy has a narrow focus on Section 6 of the RMA. It is not clear whether the intention of this policy is to further elevate consideration of matters of national importance over matters set out in Section 7 of the RMA. The policy either needs to be broadened to include Section 7 matters or to specify other considerations.

The ARC considers that the NPS should include more directive policy, similar to the one in NZCPS, which seeks to avoid any significant adverse effects in certain areas. This would include areas of significant natural and cultural heritage, landscape and important parkland, and to minimise effects on areas of recreational amenity and general rural character.

2.5 Policy 4

The ARC supports the intent of this policy which is to deal with reverse sensitivity issues however it is unclear what is intended by ‘new’ development and whether it refers only to a vacant or green fields site or whether it also refers to alterations to existing buildings or additional buildings on land which already has transmission lines over it. It is also unclear why it refers only to operation and not maintenance of the electricity network.

It is not clear in both the wording of the policy itself or the evaluation in the Section 32 report as to what is meant by 'sensitive to the effects of the electricity network'. The evaluation states that uncertainty has the potential to generate costs as parties attempt to resolve the uncertainty. Although it is acknowledged that circumstances will vary slightly depending on local circumstances it would seem preferable to reduce the uncertainty through the NPS process rather than through another process at significant cost later. Local circumstances in terms of reverse sensitivity will not be significantly varied and there may be sufficient case law surrounding the issue for a clearer policy direction to be provided.

2.6 Policy 5

It is not clear whether the intention is for transmission lines to be shown on only District Plan maps or on maps in Regional Plans and Policy Statements as well. The transmission lines will not always be relevant to what is shown on all maps associated with a plan. While the ARC supports the general intention of the provision it would be beneficial if the policy was more explicit as to what is intended.

3 The Auckland Regional Council's submission would be met by:

Placing consideration of the NPS 'on hold' until all the current energy related NPS work streams can be combined into a comprehensive National Policy Statement for Energy Management or if consideration of the NPS is to continue the following amendments and additions are recommended;

3.1 Policy 1

- Amend Policy 1 to:
 - 'Resource management decision making should recognise the benefits of sustainable, secure and efficient electricity transmission that facilitates;
 - i) Improved security of supply of electricity
 - ii) Improved efficiencies in the supply of electricity
 - iii) The facilitation of new and existing renewable electricity generation
 - iv) Lower overall environmental costs from the generation or transmission of electricity.

3.2 Policy 2

- Delete policy 2 or review the policy to provide clearer direction.

3.3 Policy 4

- Amend to clarify what constitutes 'new' development for the purposes of the policy.

- Amend the policy to '...does not compromise efficient operation and maintenance of the electricity network'

3.4 Policy 5

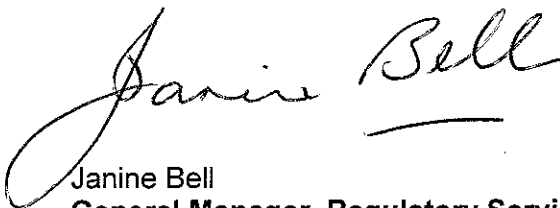
- Clarify whether the National Grid Transmission lines are to be shown on Regional Planning maps in both Regional Plans and Policy Statements and whether it is the intention that they be shown on all of the maps.

3.5 Add the following additional policies to the NPS.

- "Substantial upgrades of transmission infrastructure should be used as an opportunity to reduce existing adverse effects of transmission where appropriate and efficient".
- "Planning and development of the transmission system should minimise adverse effects on urban amenity and avoid adverse effects on town centres and areas of high recreational value or amenity".
- "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 and areas of high recreational value and amenity".

4 The Auckland Regional Council does wish to be heard in support of this submission.

Signed for and on behalf of the
AUCKLAND REGIONAL COUNCIL



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Dated on the 25th day of June 2007

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