



STAFF REPORT

TO: Environment & Planning Committee

FROM: Neil Jackson, Policy Planner

REFERENCE: R427

SUBJECT: **NATIONAL POLICY STATEMENT: ELECTRICITY TRANSMISSION**
- EP07/0/06 - Report Prepared for 20 June 2007 Meeting

1. PURPOSE OF REPORT

The purpose of this report is to advise Council of Government's proposed National Policy Statement on Electricity Transmission, and to propose two minor amendments to the policy statement.

2. BACKGROUND

Background to the policy statement is given in the attached advice from Local Government New Zealand, and in the Preamble and Explanatory Note of the policy statement.

3. PROPOSED AMENDMENTS

Policy 1 identifies benefits of the electricity transmission network. The third benefit listed is: "the facilitation of new and existing renewable energy generation".

"Renewable" could be deleted from this statement. The transmission network is required for the distribution of all electricity, regardless of whether its source is renewable or not. It is unlikely that government intends that a national policy statement about electricity transmission will not apply to transmission from non-renewable sources.

Policy 2 is: "The electricity transmission network should be operated, maintained and upgraded efficiently."

Councils do not operate, maintain or upgrade the electricity transmission network. That is done by the network operators. This is not a policy that councils can give effect to. It should be deleted.

If there is any residual role for councils to give effect to this policy, it should be amended to include "extended", as new lines will be needed for generation from new sites.

4. ADDITIONAL COMMENT

Policy 5 requires the electricity transmission network to be shown on planning maps, whether they are designated or not.

The proposed policy statement does not define the electricity transmission network. Does it apply to the lowest capacity residential feeder lines, or is it limited to higher capacity distribution lines? A definition is needed.

The PTRMP planning maps already include transmission lines of 110 kv capacity, so no additional work is required to implement Policy 5 unless it is also intended to apply to lower capacity distribution lines.

5. RECOMMENDATION

That Council make a submission proposing the following amendments to the Proposed National Policy Statement on Electricity Transmission:

1. Include a definition of “electricity transmission network”.
2. Delete “renewable” from item iii of Policy 1 so that the item is:
“the facilitation of new and existing energy generation”.

3. Either:

Delete policy 2;

Or, if councils have any role in giving effect to it:

Replace Policy 2 with:

“The electricity transmission network should be operated, maintained, upgraded and extended efficiently.”

Neil Jackson
Policy Planner

To all Council Chief Executives

Request for feedback

A Board of Inquiry has been convened to consider the Government's proposed National Policy Statement (NPS) on Electricity Transmission.

In this context, electricity transmission means, the national grid* of transmission lines and cables (aerial, underground and undersea, including the high voltage direct current link), stations and substations and other works used to connect grid injection points and grid exit points to convey electricity throughout the North and South Islands of New Zealand.

The proposed NPS on Electricity Transmission will affect Regional Policy statements and District Plans, therefore, both Regional Councils and Territorial Authorities should consider the proposals.

Local Government New Zealand will prepare a submission on the proposed NPS. Submissions on the proposed NPS close at 5 pm on 25 June 2007. The purpose of this email is to seek your feedback, on the potential implications of the proposed NPS. That feedback will be used to develop the *Local Government New Zealand* submission. To enable the submission to be prepared, **feedback on the proposed NPS should be forwarded to Local Government New Zealand not later than Thursday 14th June 2007.**

Send feedback either Phillip.Eyles@lgnz.co.nz or Natasha.Bava@lgnz.co.nz. Please address any questions to Phillip Eyles.

Please note that while *Local Government New Zealand* will prepare a submission on behalf of the sector, we would encourage local authorities who have an interest in this matter to make a submission. Any person may make a submission on the proposal. You may do so by sending a written submission, in Form 3 of the Resource Management (Forms, Fees and Procedure) Regulations 2003, to the Board of Inquiry c/o PO Box 8270, Auckland 1150. Please contact Jo Daly on (09) 985 4800 if you have any questions or to obtain copies of the proposal free of charge. **Submissions close at 5pm on 25 June 2007.** Your submission should state whether you support or oppose the proposal. You should state any changes you want to the proposal. You should give reasons for your views. Your submission must state whether or not you wish to be heard on the submission.

What is the role of the Board of Inquiry?

The proposed NPS on electricity transmission will be considered by an independent Board of Inquiry, appointed by the Environment Minister David Benson-Pope.

At this point in time, the government has accepted, *prima facie* that the proposed NPS does meet the relevant statutory tests in the Act (s 45(2)) and therefore it can if it so chooses to make a national policy statement. The role for the Board of Inquiry, is to seek public submissions, prepare a report and make a recommendation whether the government *ought* to prepare an NPS on electricity transmission.

The members of the Board of Inquiry are:

- Hon Peter Salmon – a retired High Court judge (Chair)
- Russell Howie – an Environment Court Commissioner,
- Prue Kapua – a specialist resource management lawyer.

Once public consultation is complete (in June) the Board is scheduled to provide its report to the Minister for Environment by the end of the year.

Why have a National Policy Statement ?

The proposed NPS does not refer to any individual transmission network projects, its purpose is to set the overall policy framework and identify issues that will need to be taken into account when considering individual projects under the Resource Management Act 1991 (the Act).

It is proposed that the NPS will be included in relevant documents pursuant to section 55 (2A)(b) of the Act. That means, if approved by the Board of Inquiry, the policy directions in the NPS will be "deemed" to be included in the relevant plans and documents i.e. there will be no requirement to follow the Acts notification requirements or undertake hearings in accordance with schedule 1 of the Act. In other words, the NPS will take effect immediately requiring Regional Policy Statements and District Plans to be amended to give effect to the NPS.

The proposed NPS is relatively succinct and is set out below.

Key issues that the proposed NPS seeks to address are:

Transmission infrastructure is recognised as having national benefits.

Transmission infrastructure can have adverse environmental effects that cannot always be fully avoided, remedied or mitigated. In general the impact of those environmental effects are local, while most of the benefits are regional and national. In addition, the costs and benefits of electricity transmission typically fall within *different jurisdictions*. It is perceived that these issues make it difficult for local decision-makers to make decisions that acknowledge the wider benefits associated with transmission projects.

The transmission network is extensive and linear. It may traverse multiple local authorities. This can create a complex regulatory environment, as the linear nature of the network means that it is affected by variations in the policy and regulatory approaches of local authorities. The NPS will enable consistent policy and regulatory approaches. Currently, there are limited practical alternatives to transmission. This means that in the foreseeable future, there are limited means to avoid, remedy or mitigate the environmental effects from pylons, conductors and cables. Therefore there will continue to be, direct and unavoidable trade-offs between the local environmental effects and electricity transmission. An NPS can provide guidance on tradeoffs.

Current analysis of resource management plans by the by Reference Group(see below) have highlight the following issues that may be addressed by an NPS:

- Many plans do not adequately recognise or provide for the benefits of infrastructure,

- Few plans recognise that the transmission network can be adversely affected by other activities and that it requires protection from "incompatible activities".
- There is uncertainty around the applicable rights and obligations that apply under the Electricity Act and Regulations
- There is inconsistency and uncertainty surrounding the management of certain adverse effects of transmission
- There are issues with current application of process and procedure under the RMA, including the depiction of transmission lines in district plans

The above is brief outline of the issues that are considered in detail in report prepared by Reference Group on Electricity Transmission: **The Merits and Potential Scope of National Guidance on the Management of Electricity Transmission under the RMA: Report of the Reference Group.**

That report can be found on the website of the Ministry for Economic Development at http://www.med.govt.nz/templates/MultipageDocumentTOC____21835.aspx

Finally, note that proposed NPS will not cover electricity generation. However, Mfe is currently scoping proposals for a NPS in this area. Mfe is also considering National Environmental Standards for Electricity Transmission.

For further Information on the proposed NPS see the following websites:

<http://www.mfe.govt.nz/publications/rma/nps-electricity-may07/nps-electricity-may07.html>

<http://www.mfe.govt.nz/rma/central/transmission/notice.html>

<http://www.mfe.govt.nz/rma/central/transmission/index.html>

http://www.med.govt.nz/templates/ContentTopicSummary____12101.aspx

The following sets out in full the proposed National Policy Statement on Electricity Transmission. Note that in addition reports prepared by the Reference Group on Electricity Transmission, a section 32 evaluation has been prepared to consider the appropriateness, alternatives, costs and benefits. That report can be accessed at <http://www.mfe.govt.nz/publications/rma/nps-electricity-section32-may07/index.html>.

regards

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Proposed National Policy Statement on Electricity Transmission

['Electricity transmission network' and 'electricity transmission' mean, the national grid* of transmission lines and cables (aerial, underground and undersea, including the high voltage direct current link), stations and substations and other works used to connect grid injection points and grid exit points to convey electricity throughout the North and South Islands of New Zealand. *'National grid' means, the assets used or owned by Transpower NZ Ltd.]

Preamble

This proposed National Policy Statement sets out the objective and policies for managing the electricity transmission network under the Resource Management Act 1991.

The efficient transmission of electricity on the national grid plays a vital role in the well-being of New Zealand, its people and the environment. Electricity transmission has special characteristics that create challenges for its management under the Resource Management Act. These include:

- transporting electricity efficiently over long distances requires pylons, conductors (wires) and cables that create significant environmental effects
- the transmission network is extensive and linear, making it important that where possible there are consistent policy and regulatory approaches by local authorities
- the linear character of the transmission network can limit the extent that it is feasible to avoid adverse environmental effects
- the environmental effects of the transmission network are often local – while the benefits extend beyond the local to the regional and national – making it important that those exercising powers and functions under the Resource Management Act balance local, regional and national environmental effects
- extensive investment in the transmission network and significant upgrades are expected to be required to supply demand for electricity and to meet the Government's objectives for a renewable energy future.

Objective

To recognise the national significance of the electricity transmission network.

Policy 1

The benefits of sustainable, secure and efficient electricity transmission relevant to any particular project or development of the electricity transmission network may include:

- 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 of electricity.

Policy 2

The electricity transmission network should be operated, maintained and upgraded efficiently.

Policy 3

Corridors and sites should be located and other activities associated with the electricity transmission network should be undertaken in a way that avoids, remedies or mitigates any adverse effects on matters of national importance.

[The Resource Management Act (section 6) states that 'Matters of national importance' are:

- a. The preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development:
- b. The protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:
- c. The protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna:
- d. The maintenance and enhancement of public access to and along the coastal marine area, lakes, and rivers:
- e. The relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:
- f. The protection of historic heritage from inappropriate subdivision, use, and development:
- g. The protection of recognised customary activities.]

Policy 4

Any new development [not related to the electricity transmission network] that is sensitive to the effects of the electricity transmission network should be managed in a way that does not compromise efficient operation of the electricity transmission network.

Policy 5

Where maps are included in a plan, these should identify the existing electricity transmission network, whether or not it is designated.

Policy 6

Provisions dealing with electric and magnetic fields (EMF) associated with the electricity transmission network should be based on the ICNIRP [International Commission on Non-ionizing Radiation Protection (ICNIRP). Guidelines for limiting exposure to time-varying electric, magnetic and electromagnetic fields (up to 300 GHz). Health Physics 1998, 74(4): 494-522.] guidelines.

Explanatory note

The proposed National Policy Statement will not detract from, or override, the responsibilities of local authorities to ensure that all relevant environmental effects are appropriately considered in carrying out their functions under the Resource Management Act 1991.

The proposed National Policy Statement will not override the Resource Management Act or any other legislation. The proposed National Policy Statement should be read together with other relevant planning documents, including the New Zealand Coastal Policy Statement.

The National Policy Statement will apply to all persons exercising functions and powers under the Resource Management Act. The provisions of the National Policy Statement will be included in documents pursuant to section 55(2A)(b) of the Resource Management Act.