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**Environment Canterbury submission on discussion paper:
Accelerating renewable energy and energy efficiency**

Environment Canterbury thanks the Ministry of Business Industry & Employment for the opportunity to comment on the discussion paper *Accelerating renewable energy and energy efficiency*.

Environment Canterbury strongly supports the goal of achieving a more energy efficient and renewable energy system, and agrees that the reduction of energy-related carbon emissions will be critical to achieving Aotearoa's climate goals.

Our submission focuses on sections 2 and 7 of the discussion paper, which are directly relevant to our regional council functions under the Resource Management Act 1991 (RMA):

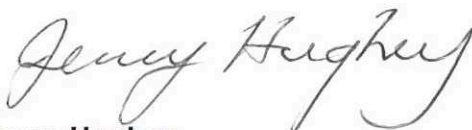
- Section 2: Developing markets for bioenergy and direct geothermal use, and
- Section 7: Enabling development of renewable energy under the RMA

We support changes to the regulatory environment that will reduce barriers to the use of biomass for process heat as an alternative to the use of higher greenhouse gas emitting fuels such as coal. However, we suggest that any new national direction (including amendments to existing) should be considered carefully to ensure that regional councils' ability to enforce the National Environment Standards for Air Quality (NESAQ) is not compromised.

While Environment Canterbury also supports a more enabling RMA policy framework for new and re-consenting of renewable energy generation, we are also concerned that any new national direction (including amendments to existing) could compete, or not align well with, existing or proposed national direction and reforms to the resource management system.

Further comments on Sections 2 and 7 of the discussion paper are enclosed.

Yours sincerely



Jenny Hughey
Chair

Encl: Environment Canterbury submission on discussion paper: Accelerating renewable energy and energy efficiency

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Section 2: Developing markets for bioenergy and direct geothermal use

Proposal 2.1 Developing a users' guide on application of the National Environmental Standards for Air Quality to wood energy

1. Some councils' regional air quality rules may be impeding the use of wood energy for process heat, however this is not the case for all regional air plans. For example, the Canterbury Air Regional Plan (CARP) contains rules that enable burning of biomass fuel with a moisture content of less than 25%, and provides a consenting pathway for applicants who propose to burn biomass fuel with a higher moisture content. The 25% threshold was established to manage discharges of air pollutants from biomass burners as part of the requirement for regional air plans to meet NESAQ air quality standards. It was not contested by submitters through the CARP plan development process. We therefore consider that the CARP's rules do not present a significant impediment to the use of wood energy in Canterbury for process heat.
2. A new NESAQ users' guide on the development and operation of wood energy facilities (or amendments to the 2014 users' guide) could support practitioners (including industry/applicants, regional councils and decision-makers) to apply the NESAQ to proposals that include using wood energy for process heat. Such a users' guide could provide greater clarity on how to develop and consider initiatives and proposals that meet the requirements of the NESAQ to limit emissions of pollutants, while also contributing to a reduction in greenhouse gas (GHG) emissions. However, while a users' guide would help to navigate and meet the requirements of the standards, it would not change the standards themselves and therefore may be of limited effectiveness in reducing regulatory barriers.
3. Amendments to the NESAQ could be made to direct a more enabling approach in policy statements and plans towards the use of wood burners for process heat. However, any amendments should take into account that the focus of the RMA framework in relation to managing discharges to air (including RMA itself, NESAQ standards and regional air quality plans) is on discharges of particulates and other contaminants that pose a risk to human health or cause amenity effects¹. Introducing new standards into the NESAQ that seek to achieve a reduction of greenhouse gases would not necessarily be well aligned with the aim of the NESAQ which is "to set a guaranteed minimum level of health protection for all New Zealanders".

¹ Although Standards 26 and 27 of the NESAQ require certain landfills to collect their methane.

Section 7: Enabling development of renewable energy under the Resource Management Act 1991

Proposal 7.1: Amend the National Policy Statement for Renewable Electricity Generation, including potential expansion of its scope to cover a broader range of renewable energy activities

4. Environment Canterbury is the consenting authority for eight existing hydroelectric power (HEP) generating schemes on the Waitaki River, which together produce 18% of New Zealand's electricity supply and over 30% of the country's hydroelectricity. The primary water consents for these large Waitaki schemes (to divert, take, dam and use water) are due for renewal in 2025. There are also several smaller-scale private HEP generating schemes in Canterbury, for example a domestic scheme near Mt Oxford, a scheme that supplies a Department of Conservation field research facility on the south branch of the Hurunui River, and schemes for Lilybank Station and The Hermitage at Mt Cook village.
5. The National Policy Statement for Renewable Electricity Generation (NPSREG) has led to a less restrictive consenting pathway for existing hydroelectricity generation activities in Canterbury, both large and small scale. The Canterbury Regional Policy Statement and Land and Water Regional Plan are relatively enabling of re-consenting renewable energy generation activities (controlled or restricted discretionary) as well as potential new schemes (restricted discretionary for non-consumptive water takes).
6. Our experience in relation to re-consenting processes for the large hydroelectricity generation activities is generally consistent with the discussion document insofar as renewals of consents for the large HEP power generators is an onerous process, and does not necessarily encourage the use of new technologies or efficiencies that may be available. There is more certainty, and it is easier, for the generators to renew their consents within the parameters of their existing consent.
7. Consenting for generation schemes on small or large waterways can sometimes be complex where there are competing demands on a waterway. However, there are consent pathways for generation activities both large and smaller scale – complexity is generally driven by social, cultural, environmental or economic pressures. In addition, in some instances, data may not be available for water flows in smaller waterways.
8. However, Environment Canterbury considers that activities of the scale and significance of large renewable energy schemes such as those on the Waitaki River, should continue to be subject to rigorous assessment, and that the adverse effects addressed through appropriate resource consent processes.
9. Environment Canterbury is also aware of several proposed wind-generated electricity farms in North Canterbury, one which has obtained both district and regional resource consents (in 2011) but has not yet been constructed. The other one has obtained district council resource consent, and has approached Environment Canterbury for advice but not yet applied for a regional consent.

10. The current NPSREG could be amended to be more directive by requiring regional and district councils to take particular actions to facilitate and enable more renewable electricity generation – both large and small scale, and to include a wider range of renewable energy activities. However, such amendments would need to be well integrated with other national direction including the draft national policy statement (NPS) for Indigenous Biodiversity, the draft NPS for Freshwater Management, and the New Zealand Coastal Policy Statement, to ensure that national priorities and desired outcomes are clear.
11. For example, the draft NPS for Freshwater Management has a singular objective of *Te mana o te wai* - the health of waterways is the first priority. The approach to freshwater management promulgated in the draft NPS for Freshwater Management also involves extensive community processes to manage freshwater on a freshwater management unit scale. It is important that any national direction on renewable energy does not undermine or override or compete with these freshwater priorities or processes.
12. Care needs to be taken to ensure that the draft NPS for Indigenous Biodiversity and any amendments to the NPSREG work well together to enable renewable electricity generation while protecting nationally significant indigenous biodiversity. Under the draft NPS for Indigenous Biodiversity, new renewable electricity generation would need to be avoided in all 'High' class significant natural areas and in 'Medium' class significant natural areas unless a proposal was of national significance².
13. We agree with the NPSREG (p3) that "*In some instances the benefits of renewable electricity generation can compete with matters of national importance as set out in Section 6 of the [RMA], and with matters decision makers are required to have particular regard to under Section 7*"³. In our view, an integrated approach could be achieved once the Government's priorities are clearly identified and expressed through the RMA framework, which may be an outcome of the current review of the resource management system. On the basis of the Government's priorities, a process could be developed to identify and exclude geographic areas from development of renewable energy generation. Such a process could assist councils to take a more enabling approach towards renewable electricity generation in remaining areas. Spatial planning may have a role in identifying areas that should be excluded or (where not excluded) potentially appropriate for development of renewable energy.
14. Most of New Zealand's renewable electricity is generated (and therefore environmental effects are felt) in the South Island, while the North Island consumes much of the electricity generated. New Zealand's electricity supply is vulnerable, being reliant on the South Island's alpine lakes and rivers (which as a result of climate change, may be increasingly challenged by changes in precipitation, rainfall patterns and snowpack),

² Draft NPS on Indigenous Biodiversity 3.9 (1 & 2), adverse effects of new activities on significant natural areas are to be avoided. In significant natural areas classified as medium, nationally significant infrastructure with a functional or operational need to be in that particular is exempted.

³ Under s7(j) of the RMA decision makers are required to have particular regard to the benefits to be derived from the use and development of renewable energy.

while our extensive electricity distribution network may be exposed to more frequent and severe storm events in the future. We support the development of new and different sources of renewable energy nearer the point of consumption. An increase in renewable energy generation in the North Island would both relieve pressure on South Island natural resources and increase the country's resilience to disruption in the supply of electricity.

15. It is unclear as to how a further definition or threshold for small and community-scale renewable electricity generation activities would add value or provide greater clarity. The NPSREG already has a definition of '*small and community-scale distributed electricity generation*', 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. A further definition or threshold could lead to unintended consequences or restrictions on the use of new technologies and innovation by small and community-scale renewable electricity generation activities.

Proposal 7.2: Scope National Environmental Standards or National Planning Standards specific to renewable energy

16. Environment Canterbury considers that the introduction of National Environmental Standards (NES), or national planning standards, for renewable energy could be an effective and appropriate tool to accelerate the development of new renewables and streamline re-consenting, depending on what standard(s) is/are included, and local government's ability to enforce any NES through amendments to RMA policy statements, plans, and through consenting processes.
17. Any new standards would also need to be well integrated with existing and pending national direction. Enforcing a new NES would involve potentially long timeframes and expensive processes for local government (if RMA policy statements and plans needed amending), however longer term it may be an effective way to help achieve the outcome of increased renewable energy, and transition to a low-emissions electricity sector.
18. One option for an NES may be a standard for methodologies for the identification of areas with characteristics of national importance or otherwise unsuitable, that should be excluded from development for renewable energy. Such a standard could be integrated with national direction such as the (once final) NPS for Indigenous Biodiversity which may require identification and mapping of significant natural areas of High and Medium value.
19. Applications for renewable energy generating activities of national significance could be more frequently considered by/referred to the EPA. The EPA system could be improved, with more enabling policy and making direct referral more attractive for activities of national significance (rather than through local body consenting processes). In our experience the EPA may not have been the preferred option for some applicants due to the level of detail required and uncertainty of outcome. There may be an opportunity for the EPA to facilitate, remove roadblocks, and to support new technologies for national scale renewables.

