



# Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission

A SUMMARY OF PROPOSED CHANGES  
APRIL 2023

ONLINE: ISBN 978-1-99-106977-1

## Renewable electricity generation is critical to our future wellbeing and prosperity.

Climate change is the most significant environmental challenge of our time. If we are to meet our emission reduction targets, this will require a rapid expansion of renewable electricity generation and transmission infrastructure, which is vital for Aotearoa New Zealand's shift to a low-emissions economy.

New Zealand is fortunate to have access to significant renewable energy sources, but our current planning settings are not fit for purpose to meet the challenge faced.

The Ministry of Business, Innovation and Employment (MBIE) and the Ministry for the Environment (MfE) are proposing changes to strengthen national direction on renewable electricity generation (REG) and electricity transmission (ET) as the most effective way to improve consenting under the Resource Management Act 1991 (RMA). This is an important transitional measure prior to the new Resource Management system taking full effect in the next 7-10 years.

### What national direction is in scope?

These proposals relate to a package of national direction instruments under the 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 are changes to the existing national direction needed?

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 and scale of development that is required.

The proposed changes would help ensure current planning settings enable New Zealand to significantly expand its renewable electricity generation and transmission capacity.

### Why are changes proposed under the RMA and not through the proposed resource management reform?

While the Government intends for the resource management reform bills to be passed by mid-2023, significant investment in renewable electricity generation and electricity transmission 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 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.

### What are the proposed changes?

The main objectives of the proposals are to:

1. Provide more enabling policy direction for renewable electricity generation and electricity transmission projects to significantly increase generation output to support New Zealand's emissions reduction targets and renewable electricity goals.
2. Better manage competing interests with other Part 2 RMA matters through nationally consistent consenting pathways.
3. Provide for Māori interests and incorporating the principles of te Tiriti o Waitangi.

The proposals to achieve these objectives are set out below, and include changes to existing national direction, and a new national environmental standard for renewable electricity generation. Other policy options which have been considered for achieving the objectives are outlined in the consultation document.

## National policy statement proposals

The proposals focus on strengthening, as a priority, the current national policy statements (NPS-REG and NPS-ET), to provide a consenting process that is more efficient, certain and environmentally sustainable.

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 the transitional period. Feedback is also being sought on whether some provisions should be directly inserted into plans.

Some of the new provisions are expected to improve the consenting environment for renewables, while broader changes will be progressed through the National Planning Framework as part of the resource management reforms.

### *Amendments to the NPS-REG*

- **Recognising and providing for the national significance of renewable electricity generation**, by providing stronger and more directive policy on the important role renewable electricity generation activities in meeting emissions reduction targets and helping to address climate change, making sure planning decisions give greater weight to the national significance and benefits of these activities and clarifying the meaning of 'operational need' and 'functional need' in relation to the location of these activities. This is covered in Section 1 of the consultation document.
- **Enabling renewable electricity generation activities in areas with significant environment values**, by providing three options for addressing current issues. The preferred option is for new consenting pathways ("gateway tests" and effects

management approaches) to enable renewable electricity generation activities in areas with significant environment values when their benefits outweigh residual remaining adverse effects.

The preferred option will provide a single consenting pathway that acts as a 'one stop shop' for the consideration of projects where they are proposed to be located in areas with significant environment values. This is covered in Section 2 of the consultation document.

- **Enabling renewable electricity generation activities in other areas**, including providing new direction on enabling these activities where there are potential adverse effects on local amenity values, so long as effects are avoided, remedied or mitigated to the extent practicable. The proposal also requires consideration that effects on local amenity can be positive, have wider benefits, are not in and of themselves an adverse effect and must be considered in light of the national standards for wind farm noise (NZS 6808:2010). This is covered in Section 3 of the consultation document.
- **Recognising and providing for Māori interests**, by introducing new policy direction on early, meaningful engagement, protection of sites of significance, and enabling small and community-scale renewable electricity generation activities to support tangata whenua aspirations. This is covered in Section 4 of the consultation document.
- **Strengthening direction on existing wind and solar renewable electricity generation**, by providing more direction on recognising the importance of maintaining existing generation output, the efficiencies of upgrading existing renewable electricity generation activities (including through repowering<sup>1</sup>), and the environmental benefits of increasing the capacity and output of existing activities. This is covered in Section 5 of the consultation document.

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<sup>1</sup> Repowering is a specific type of upgrade that involves comprehensively replacing generation components.

- **Retain existing direction in relation to consenting existing hydro and investigating further options under the National Planning Framework.** Given the National Policy Statement on Freshwater Management 2020, and forthcoming work on a new resource management regime on freshwater allocation, no changes are proposed to the existing direction relevant to consenting hydro. Any necessary changes to this direction will be considered through the development of the National Planning Framework as part of resource management system reform. This is covered in Section 6 of the consultation document.

- **Enabling small and community scale and generation,** by strengthening existing direction to be more enabling of these activities, to recognise and provide for the significant cumulative contribution of these activities in meeting emissions reduction targets, and recognising and providing for the local benefits of these activities.

A new definition of small and community scale renewable electricity generation activities is proposed. There are options to define this based on the activities primary purpose or based on the activity's generation capacity. This is covered in Section 7 of the consultation document.

- **Battery storage:** There is an option to broaden the scope of the NPS-REG to apply to grid/distribution connected battery storage and better recognise the national significance of these activities. This is covered in Section 8 of the consultation document.
- **Consent lapse periods:** No options are proposed, however we are seeking feedback on applying pro-competitive considerations when decision makers determine an appropriate lapse date for consents for renewable generation (effective "use it or lose it" conditions). This is covered in Section 8 of the consultation document.

### *Amendments to the NPS-ET*

- **Recognising and providing for the national significance of electricity transmission,** by providing stronger and more directive policy on the national significance of the electricity transmission network. This would include more

specific recognition of technical, operational and functional needs, better reflecting the activities and infrastructure that form part of the operation of these activities (including access tracks associated with routine maintenance), greater recognition of national, regional and local benefits and requiring decision makers to recognise linkages with the NPS-REG and the role of the network to support a timely and significant increase in renewable electricity generation capacity.

This is covered in Section 9 of the consultation document.

- **Managing environmental effects of electricity transmission,** by enabling minor activities without restriction provided adverse effects are avoided or mitigated where practicable, and to enable these to occur in a timely and efficient way. A new definition of minor electricity transmission network activities would be included in the NPS-ET. This is covered in Section 10 of the consultation document.

Options are also provided for providing clearer consenting pathways for development of the electricity transmission network and 'more than minor upgrades' in different environments. The preferred option is to enable these to be located in areas with 'significant environmental values' if the benefits of the activity outweigh its adverse effects, provided there are no significant residual adverse effects.

- **Broadening the scope of the NPS-ET to apply to all high voltage electricity networks.** We are seeking feedback on include broadening the scope of the NPS-ET to cover high voltage electricity networks not owned or operated by Transpower. This is covered in Section 12 of the consultation document.

### National environmental standard proposals

Nationally consistent standards for infrastructure are also being developed for the National Planning Framework. Developing standards is complex and it requires a different, and more lengthy regulatory process.

As a result, the Government will determine how to sequence and progress proposals for new or amended NESs in the most effective and efficient way; whether this is through the current Resource Management Act, the new National Planning Framework, or both.

Subject to this, a further round of consultation will be undertaken on the draft NESs, giving stakeholders another chance to provide a view on the detailed provisions and their technical aspects.

### *Amendments to the NES-ETA*

**Improving the workability and scope of the NES-ETA**, through updated definitions, rules and conditions. This could be achieved through enabling activities with mainly visual effects, aligning the regulations with updated standards and definitions, and proposing other minor alterations to definitions to improve workability of the regulations.

### *Developing a new NES-REG*

- The consultation document proposes a new National Environmental Standard for Renewable Electricity Generation, while still enabling councils to set more permissive rules and standards for these activities.
- **Enabling the upgrade and repowering of existing wind and solar generation**, by developing national standards for upgrading and repowering existing onshore wind and solar. This would specifically provide for minor, intermediate and major upgrades and repowering activities. Subject to standards, minor upgrades would be permitted activities, intermediate upgrades would be controlled activities and major upgrades and repowering would be restricted

discretionary. This is covered in Section 5 of the consultation document.

- **Developing new national standards for small and community scale onshore wind and solar PV generation projects**, to improve national consistency in the management of these activities. The proposals include permitted activity standards for roof-mounted and free-standing wind turbines and solar photo-voltaic (PV) panels, with a controlled or restricted discretionary activity status where the standards are not met. It would also provide, subject to standards, a controlled activity status for community scale renewable electricity generation activities, with a restricted discretionary activity status where the controlled standards are not met. Some general standards are proposed to apply to all of these activities. This is covered in Section 7 of the consultation document.
- **Nationally consistent rules for new large-scale wind and solar PV generation**. There is also an option for the NES to include a nationally consistent activity status (e.g. restricted discretionary) to address current inconsistencies at a regional level. This is covered in Section 8 of the consultation document.

### Out of scope

Issues that are outside of the scope of the consultation are:

- Renewable energy more broadly (e.g. biofuels)
- The regulatory framework for offshore renewable generation.
- Waste from decommissioning and repowering renewable electricity infrastructure

## When would the proposed changes take effect?

### Proposal Timeframes

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 National Planning Framework, which is the replacement national direction in the new resource management system.

Table 1: 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

# How to have your say

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.**

## Privacy Statement

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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