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Committee Secretariat
Environment Committee
Parliament Buildings
Wellington

(via online portal)

To whom it may concern,

Submission to Environment Select Committee's inquiry on the Natural and Built Environments Bill

The Electricity Networks Association (ENA) appreciates the opportunity to make a submission to the Environment Select Committee's inquiry on the Natural and Built Environments Bill. The ENA is the industry membership body that represents the 27 electricity distribution businesses (EDBs, sometimes called lines companies) that take power from the national grid and deliver it to homes and businesses. The ENA harnesses the collective expertise of members to promote safe, reliable and affordable power for our members' customers.

Electricity networks owned and operated by EDBs will be critical enablers of New Zealand's transition to a low carbon economy. The electricity system is comprised of several different elements (generation, transmission, distribution), which are owned and operated by different organisations. However, this system requires all these elements to deliver the end service to consumers – no single element is capable of doing this in isolation. It is therefore important that all elements of the system receive the same level of recognition in the planning legislation – the system is only as strong as its weakest link. In addition, it is at the distribution level of the electricity system that the vast majority of consumers will receive the infrastructure service that will enable them to take advantage of new technologies, such as electric vehicles and peer to peer trading of distributed generation (e.g. solar photovoltaic systems). The uptake of these technologies will be key to New Zealand achieving its low carbon objectives.

New Zealand is also in the midst of a housing crisis, which the Government aims in part to address by smoothing the path for the provision of infrastructure that is necessary for the construction of housing. Electricity distribution networks provide one of, if not the, fundamental infrastructure services that

housing requires, and therefore the Natural and Built Environments Act (NBA) and associated planning legislation must enable distribution infrastructure as much as possible.

We are pleased to see the Government's stated objectives for the new planning systems includes[1] to *"better enable development within natural environmental limit"* and *"improve system efficiency and effectiveness, and reduce complexity while retaining appropriate local democratic input."*

EDBs are working hard to adopt new technologies and techniques allow them to serve consumers effectively and efficiently, without resorting to widespread and costly upgrades to electricity networks. Nevertheless, there will inevitably be some need to upgrade existing electricity lines and build new ones, as part of the sector's response to the impacts of increased electrification of the economy. It is important that planning legislation such as the NBA enable these activities to be undertaken by infrastructure providers in as straightforward way as possible.

In appendix A of this letter we have provided some specific comments around the aspects of the NBA that are of greatest importance to our members. As there is limited detail contained in the exposure draft of the NBA we have focussed our submission on high-level issues and concepts, rather than specific wording in the NBA, though we do cover this in places.

If there is any further support ENA can provide to the committee in considering this submission, please contact Richard Le Gros (richard@electricity.org.nz, 04 555 0075).

Yours sincerely,

Graeme Peters
Chief Executive
Electricity Networks Association

[1] https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/#why-the-system-needs-reforming

Appendix A – ENA submission to the inquiry on the Natural and Built Environments Bill

1. Definitions

1.1. As infrastructure providers, our members are concerned that the definitions contained in the NBA properly encompass the range of activities and assets that comprise their businesses. The exposure draft of the NBA does not contain definitions for either 'infrastructure' or 'infrastructure services', and the associated parliamentary paper does not provide any further indication of the Government's intentions here.

1.2. The electricity system is comprised of several different elements (generation, transmission, distribution), which are owned and operated by different organisations. It is however a system that requires all these elements to deliver the end service to consumers – no single element is capable of doing this in isolation. It is therefore important that all elements of the system receive the same level of recognition in the planning legislation.

1.3. We recommend that the definition for 'infrastructure' be aligned to existing legislation to ensure consistency of interpretation and application.

1.4. We suggest use of either the definition of lifeline utility as contained in the Civil Defence Emergency Management Act 2002 or the definition of specified infrastructure in the National Policy Statement for Freshwater Management.

1.5. We are very interested in the placeholder definition for 'infrastructure services', as it is not clear to us why the NBA introduces this new distinct concept and how it would be used in practice.

1.6. We noted that there is no definition given for 'built environment'. This should be considered for addition.

1.7. The definition of 'Natural Environment' should encompass or reference infrastructure that already exists in the environment to provide a baseline from which further activities can be assessed. We note that this is already reflected in an allowance for introduced flora and fauna.

2. General issues and observations

2.1. The overall intent of the NBA should be to provide an enabling system for infrastructure within environmental limits. We are concerned that the biophysical limits set in the NBA may be so restrictive as to prohibit the construction of new electricity assets outside the road corridor, even where they may serve a critical function in the electrification (and hence de-carbonisation) of the economy.

2.2. The way the limits are applied should be tempered to take account of the role infrastructure, and in particular electricity infrastructure, is enabling of wider societal goals. It should also be noted that some of those wider societal goals (e.g. decarbonisation) are themselves in service to greater environmental protection or enhancement, but potentially on a national or even global level. It is important that the way in which environmental limits are established and used in the NBA is such that these local versus national/global trade-offs can be made as appropriate.

2.3. Environmental limits should not be set for subjective, amenity or aesthetic-related matters (e.g. landscapes or character areas), as experience has shown us that these types of considerations can be a considerable barrier to the enablement of infrastructure that serves more significant societal objectives. Environmental limits of this type should be explicitly prohibited in the text of

the NBA. We recommend that text be introduced to the NBA that states that no limits should be made for these purposes.

2.4. The NBA should retain the designation arrangements contained in the Resource Management Act (RMA) as these are valuable tools for network utilities and others. Consideration should be given to improving the flexibility, availability and security of designations as these will be critical to allowing EDBs to deliver the network infrastructure needed to support the transition to a low carbon economy. This could include providing for designations to be extended in time and scope and alignment with planning cycles (e.g. regional plans, etc).

2.5. We strongly advocate for greater recognition of the New Zealand Electrical Code of Practice for Electrical Safe Distances (NZECP 34:2001[2]) in the new planning regime. Currently, EDBs often find that planning consent has been given to structures that will infringe on the safety distances outlined in ECP34. However, by the time the EDB becomes aware that this is the case the structure may have been built or construction significantly advanced, at which point it becomes very costly and disruptive to achieve compliance with ECP34. We would like to see either a general reference to sector-specific safety regulations (such as ECP34) in the NBA, or more specific reference to ECP34 itself in the National Planning Framework (NPF). This would give us greater confidence that future consents will be made with requirements such as ECP34 in mind.

2.6. ENA strongly supports the inclusion of sub-clause 8 (o) (ii) of the draft NBA as it will be critical to enabling the development of new and continuing use of existing distribution infrastructure, which in turn will be key to enabling a low-carbon transition for the New Zealand economy. We have a few suggestions as to how to improve the wording of this sub-clause, as follows:

2.6.1. Currently sub-clause 8 (o) (ii) refers to "…an increase in the generation, storage, transmission, and use of renewable energy:". In context, we believe this sub-clause is intended to include distribution of energy, but for the avoidance of doubt 'distribution' should be inserted into this clause following 'transmission'. This proposed change reflects our comments in 1.2 highlighting the connected and interdependent nature of the electricity system.

2.6.2. The drafting of the sub-clause should support both the development of new infrastructure but also the ongoing use and maintenance of existing infrastructure, both for the present and future benefit of New Zealanders. To achieve this, the drafting of sub-clause 8 (o) should be changed as follows:

"protect and enable ~~ongoing~~ the operation, maintenance, replacement and upgrade of existing infrastructure and infrastructure services and provide for and enable ~~provision of~~ new infrastructure and infrastructure services to support the current and future well-being of people and communities, including by supporting—"

2.7. Clause 8 of the NBA contains a long list (16 sub-clauses) of separate environmental outcomes that must be promoted in the NPF and all plans. The parliamentary paper acknowledges this and states that the NPF will provide guidance to manage and resolve conflict between these outcomes. Nevertheless, it would be sensible to carefully consider whether this list of outcomes could be reduced or consolidated, without diluting the intent of the NBA. Doing so would reduce complexity and uncertainty and therefore reduce the scope for dispute, litigation and delay.

[2] https://www.worksafe.govt.nz/laws-and-regulations/standards/electricity-standards-and-codes-of-practice/

2.8. It should be made explicit in the text of the NBA that the sub-clauses of clause 8 are all to be given equal weighting and priority. On close reading of the text it appears this is the intent, but making this more explicit would reduce the scope for confusion and conflict without diluting the overall objectives of the NBA. Text similar to 'For the purposes of this Act, no outcome in section X is assumed to take priority over another.' could be inserted as a new sub-clause after the first sub-clause in section 8.

3. National Planning Framework

3.1. We understand that the NPF will bring together the existing suite of National Policy Statements (NPS) and National Environmental Standards (NES) into a single coherent policy instrument. This is a critical element of the planning system reform process and therefore it is disappointing to have so little detail on this subject within the draft NBA.

3.2. The distribution sector would welcome the opportunity to engage with Ministry for the Environment officials to understand more about how this process will work and to provide expert input.

3.3. In particular, we are concerned that the NPF accommodates the holistic nature of the electricity system, comprising generation, transmission and distribution, and brings together a currently disparate set of NPS and NES, that treat these elements separately, into a single a coherent framework.

3.4. At present, both electricity transmission and renewable electricity generation have specific NPS and NES that apply to them[3]. As we have noted in this submission, the electricity system can only operate effectively when all parts of the system are afforded equal standing under the planning legislation. As the NPF is developed, care should be taken to ensure electricity distribution is enabled in the same way as transmission and renewable generation. Absent such consideration, distribution infrastructure may not be enabled effectively by the new planning system, which will lead to detrimental impacts on the pace of the low-carbon transition and construction of new housing.

4. Transition

4.1. The transition between the existing planning system (the RMA) and the new system must be carefully managed to ensure that infrastructure providers, such as the EDBs, can continue to designate and receive consents for their activities in a timely manner. The electricity sector cannot stop and wait while the planning system is overhauled. The introduction of the NPF must also be done in such a way that the existing suite of policy instruments (NPS and NES) continue to have effect until such time as the NPF is ready to assume their role in the system.

[3] National Environmental Standards for Electricity Transmission Activities, National Policy Statement on Electricity Transmission, National Policy Statement for Renewable Electricity Generation.