

BEFORE THE MANAWATU-WANGANUI REGIONAL COUNCIL

In the matter of the Resource Management Act 1991

and

In the matter of Submissions and further submissions made by
TRUSTPOWER LIMITED to the Manawatu-
Wanganui Regional Council on the Proposed Horizons
One Plan – General and Overall Plan.

STATEMENT OF EVIDENCE OF ROBERT JOHN SCHOFIELD

17 June 2008

Introduction

- 1.1 My name is Robert John Schofield, and I am a Senior Principal of Boffa Miskell Limited, a national firm of consulting planners, ecologists and landscape architects. I hold the qualifications of BA (Hons) and Master of Regional and Resource Planning (Otago). I am a Member of the New Zealand Planning Institute, and a Past President (1998-2000). I have been a planning consultant based in Wellington for over 23 years, providing consultancy services for a wide range of clients around New Zealand, including local authorities, land developers, and the infrastructure and power sectors.
- 1.2 My experience includes the writing and preparation of Plan Changes for Councils and private clients, as well as work on the preparation of District and Regional Plans, including formulating provisions for infrastructure and energy development and distribution.
- 1.3 In this matter, I have been commissioned by TrustPower Limited ('TrustPower') to prepare its submissions on the proposed One Plan and to present planning evidence on its points consistent with the purpose and principles of the Resource Management Act 1991 ('RMA'). I have worked closely with both TrustPower and with other generators as part of my involvement in submissions on the proposed One Plan.
- 1.4 In preparing my evidence, my approach was to:
- Consider the overall provisions of the proposed One Plan of consequence to TrustPower, having regard to the purpose and principles of the RMA and other relevant national policies and strategies; and
 - Recommend appropriate changes that would give effect to the amendments requested by TrustPower in a way that is consistent with the RMA and my duties as an independent planning expert.
- 1.5 I have been engaged by TrustPower to provide a relatively high level analysis of the proposed One Plan in terms of the relevant statutory considerations and obligations, taking into account those issues raised by TrustPower. To this end, I do not intend to address many of the matters of other submitters' concerns in TrustPower's submission in detail, unless specifically relevant. Rather, the purpose of my evidence is to review the overall approach and direction of the proposed One Plan against the purpose and principles of the RMA and good planning practice. Matters of greater detail will be addressed at the time of hearings on the various sections of the One Plan.
- 1.6 My evidence takes into account the Section 42A Report recommendations on the proposed One Plan.
- 1.7 My evidence is structured according to the following format:
- An overview and summary of the primary issues for TrustPower regarding the overall proposed One Plan.
 - Statutory considerations, particularly the purpose and principles of the RMA.

- An analysis of the section 42A report's recommendations into the submissions and further submissions on the proposed One Plan as they relate to the concerns of TrustPower.
- (i) I have read the Code of Conduct for Expert Witnesses issued as part of the Environment Court Practice Notes. I agree to comply with the code and am satisfied the matters I address in my evidence are within my expertise. I am not aware of any material facts that I have omitted that might alter or detract from the opinions I express in my evidence.

2 Primary Issues for TrustPower

- 2.1 TrustPower is one of New Zealand's largest electricity retailers, using solely renewable energy generation to serve just under a quarter of a million customers throughout the country. TrustPower owns and operates a range of generation assets, consisting of 35 small to medium-sized generation stations strategically located around New Zealand, including New Zealand's largest windfarm on part of the Tararua Ranges near Palmerston North. This windfarm is one of the best performing wind farms in the world.
- 2.2 Because of the critical importance of electricity generation to the nation's wellbeing, the Tararua Windfarm is an important and strategic physical resource which warrants recognition under Part II of the RMA because of its contribution in enabling the region (and nation) provide for our social, economic and cultural wellbeing. Such recognition should include the need to provide for its efficient use as a finite resource – there are only limited opportunities to establish similarly performing energy facilities elsewhere in New Zealand.
- 2.3 In addition to ensuring its existing renewable energy generation interests in the Region are recognised and provided for, TrustPower has a wider strategic interest in the sustainable management of resources within the Manawatu-Wanganui Region generally, and in the development of objectives, policies and methods that impact on potential future energy generation developments within the Region.
- 2.4 As outlined in its primary submission, TrustPower generally supports the intent of the proposed One Plan, which seeks to ensure an integrated approach to resource management in the Manawatu-Wanganui Region. In a large measure, TrustPower either supports or does not oppose the general direction and approach of the One Plan. However, the proposed One Plan introduces a number of changes to policy that have the potential to adversely affect the ability to maintain and enhance effective and efficient electricity generation within the Region.
- 2.5 Given the key topic-based nature of the hearings on the proposed One Plan, my evidence will be structured to ensure that only those pertinent matters of concern to TrustPower are covered in each hearing.
- 2.6 For this hearing on the Overall Plan, TrustPower is concerned that, overall, the proposed One Plan does not fully and satisfactorily recognise and take into account the local, regional and national benefits of renewable energy generation through specific objectives, policies and methods that are consistent with Sections 5 and 7 of the RMA or with recent Government policy in relation to renewable energy.

- 2.7 To address these matters, I agree with TrustPower that some amendments should be made to the proposed One Plan, and I have advised the company on the form and detail of such changes that are appropriate in my opinion. In summary, the relief sought by TrustPower and the changes that I am recommending seek to ensure that the provisions contained in the proposed One Plan provide the appropriate recognition of resource activities and uses through a balanced approach to achieving sustainable management.

3 The Resource Management Act 1991

- 3.1 The purpose of the RMA under section 5 is “to promote sustainable management of natural and physical resources”, with ‘sustainable management’ meaning –

managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while –

- (a) Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- (b) Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
- (c) Avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

- 3.2 As the Commissioners will be aware, the definition of ‘natural and physical resources’ in the RMA includes energy. More importantly for the proposed One Plan, the RMA was amended in 2004 to include a definition of renewable energy as meaning “energy produced from solar, wind, hydro, geothermal, biomass, tidal, wave and ocean current sources”.

- 3.3 Section 7 requires that, in achieving the purpose of the RMA, all persons exercising functions and powers under it shall have particular regard to a number of matters. TrustPower’s submission raises issues with the need to have particular regard to the following:

- (b) The efficient use and development of natural and physical resources*
- (ba) The efficiency and the end use of energy*
- (g) Any finite characteristics of natural and physical resources*
- (i) The effects of climate change*
- (j) The benefits to be derived from the use and development of renewable energy.*

- 3.4 Matters (ba), (i) and (j) were added in 2004 to reflect the Government’s concerns about how our future energy demands are to be met on a sustainable basis, and the important relationship between climate change and energy management. In my assessment, the proposed One Plan does not give equivalent regard to these matters as it does to other section 7 matters, especially to item 7(j) in relation to the benefits of using and developing renewable energy sources, and item 7(b) in relation to the

efficient use and development of natural and physical resources in reference to energy generation.

3.5 It is now an established principle that the positive effects of power generation should not be considered as site specific; rather the benefits should be seen in the wider context of Part II of the RMA and in a national context. The importance of power generation has been recently confirmed as a relevant and important matter by the Environment Court:

(a) In the Genesis Energy Awhitu Windfarm case¹, the Court stated:

Electricity is a vital resource for New Zealand. There can be no sustainable management of natural and physical resources without energy, of which electricity is a major component.

(b) In the Contact Energy Wairakei and Poihipi Geothermal Power Station case², the Court stated:

From a national level, electricity is an essential commodity to New Zealand households (directly they spend in excess of \$2 billion on it) and industry. It provides the basis for our economic prosperity and way of life. Unlike in some other countries, electricity cannot be imported, and for some purposes it has no practical alternatives.

3.6 I acknowledge that the need for local authorities to balance the national need for electricity generation and transmission activities with local adverse effects presents a challenge for decision-makers. However, it is important that the framework for attributing appropriate weight to the positive and adverse effects of electricity generation is set out within Regional and District Plans to assist not only decision-makers, but all parties that are interested or become involved with issues as they arise.

3.7 Notwithstanding the significant policy advancements that it proposes to introduce, in my opinion, the proposed One Plan neither fully acknowledges the national and regional benefits of the Manawatu-Wanganui Region as a significant energy resource, nor adequately responds to the full range of issues that the proposed One Plan will need to address. If it seeks to promote the integrated management of the significant issues facing the Region, then some further changes are required to be made to the Plan. At this point, I wish to acknowledge the general positive and responsive nature of the Horizon's staff in listening and considering the concerns and options for their resolution.

3.8 Further generation from renewable energy sources from hydro, wind and (potentially) marine sources will be crucial ways for the nation to address its climate change obligations, and to meet our renewable energy targets. By producing lower emissions through the generation and consumption of renewable and carbon-friendly energy, both the Manawatu-Wanganui Region and the nation as a whole can move towards meeting the ambitious targets that have been set in confronting the effects of climate change. Ensuring that the Manawatu-Wanganui Region meets these goals should be an essential component of the proposed One Plan.

¹ *Genesis Power Ltd v Franklin District Council*. [2005] NZRMA 541 at paragraph 64

² *Rotokawa Joint Venture Ltd and Mighty River Power v Waikato Regional Council* A41/07 at paragraph 422

3.9 The One Plan needs to establish the platform from which a proactive and positive management framework can be developed to recognise the region's renewable energy resources and their potential. While the proposed One Plan now has objectives and policies that better recognise the role and importance of 'infrastructure', other aspects are less positive – for example, the Region's entire coastal marine area and much of the landward component of the coastal environment has suddenly been classified as regionally significant [i.e., outstanding] without a rigorous methodological or consultative foundation. However, it is important to positively reiterate that the One Plan as notified is a good base from which such a framework can be established.

4 Other Matters of Importance

4.1 I consider that it is important to affirm a couple of key points pertinent to renewable energy as will be managed by the proposed One Plan.

4.2 As you will have heard from other electricity generators as part of this hearing, the development of renewable energy is directly in line with government policy – in particular, our commitment to the Kyoto Protocol, the New Zealand Energy Strategy to 2050 (NZES) and the New Zealand Energy Efficiency and Conservation Strategy (NZEECS) dated October 2007. The sub-title to the NZEECS is "action plan to maximise energy efficiency and renewable energy". Although not prepared under the RMA planning framework, these Government policies and strategies are highly relevant matters in terms of section (ba) and (j) for RMA policy-makers, and section 104(1)(c) of the Act for resource consent decision-making.

4.3 The NZEECS and NZES both include targets for 90% of electricity to be produced by renewable sources by 2025. The NZEECS also provides that the government intends to promote a National Policy Statement (NPS) on renewable energy, to be finalised this year. While a draft of the Renewable Energy National Policy Statement has not yet been released, given the current government policy framework, such an NPS is likely to provide strong policy direction favouring renewable energy sources such as wind and hydro energy as technologically sound and environmentally appropriate generating methods.

4.4 I consider that these policy documents are a relevant reflection of the direction that New Zealand is moving in terms of promoting a greater proportion of our energy generation provided through renewable resources and particularly wind.

4.5 I draw the Committee's attention to a recent (March 2008) survey carried out for the New Zealand Business Council for Sustainable Development. This survey showed that wind power was the most preferred of all electricity generation options, with 77% of respondents stating they believe wind is the best electricity generation source for New Zealand in the next 10 years (when more than one generation option could be selected). Thirty-eight percent of survey respondents stated they would not be concerned at all if a wind farm was built on an area that was visible from their home. Seventy percent of respondents thought New Zealand was not doing enough to encourage renewable energy projects.

5 Points of Relief Sought By Trustpower

General Thrust of Submission

- 5.1 The purpose of the proposed One Plan is to implement an integrated management approach to regional planning within the Manawatu-Wanganui Region, and to provide policy direction to the Region's territorial local authorities on managing the significant issues facing the region. TrustPower's interests in the proposed One Plan generally lie with ensuring the objectives, policies and rules within the Plan adequately provide for the generation of electricity as a recognised activity of national and regional importance, with due regard to the duty to avoid, remedy or mitigate adverse effects on the environment.
- 5.2 In general, the submissions and further submissions lodged by TrustPower to the proposed One Plan seek to ensure that the intent of the Proposed Plan is consistent with Part II of the RMA. I will expand upon this point in respect to submissions made by TrustPower and other submitters later in this evidence and, more specifically, during individual topic hearings.
- 5.3 As outlined in its original submission, TrustPower is supportive of the general intent of the proposed One Plan and the proposed approach to managing the big four significant resource management issues for the region. Most importantly, as a major resource user across New Zealand, TrustPower is generally supportive of any attempts to integrate regional planning documents to simplify the resource management process. In this regard, I consider the proposed One Plan has gone a long way to restructure the current fragmented approach to regional planning. Accordingly, I concur with the section 42A officer's report recommendation to largely retain the overall structure of the proposed One Plan.
- 5.4 I also support the work that has gone into the thorough and extensive consultation process to ensure all users are involved in resource management issues affecting them, including the opportunities that have been provided by Council for pre-hearing meetings and for other electricity generators to meet with Council to discuss a way forward. I am hopeful that this can continue in the constructive and good spirit undertaken to date.

6 The Proposed One Plan – Overall Plan

- 6.1 First, I would note that if any matter raised in TrustPower's submission is not discussed in my evidence, then it should be inferred that I agree with the relevant recommendations in the section 42A report. In particular, I support retaining all provisions of the proposed One Plan that recognise the importance of energy generation in enabling people to provide for their wellbeing.
- 6.2 Before I address the general points of TrustPower's submission, I would like to reaffirm to the Committee Horizon's principles that the One Plan will 'embrace a more non-regulatory approach' and promote a 'permissive regulatory approach' – through industry self regulation and use of Codes of Practice. The proposed One Plan principle of industry self-regulation is an important point – and one that is consistent with TrustPower's submissions. This point is an important principle to recognise in addressing the concerns of TrustPower in regard to the use of schedules in the One Plan.

Utilising Natural Resources

- 6.3 I note the section 42A officer's report statement (page 10) that the inclusion of generic objectives or policies recognising the benefits of utilising natural resources is not necessary or helpful. With respect, I disagree.
- 6.4 The concern is not the general use of the Region's natural resources as such, but that the Plan should duly recognise the national benefits of the use of the Region's key natural resources, particularly the existing and potential renewable energy resources. There can be no doubt that future renewable energy development will promote the sustainable management of the natural and physical resources of the region, and the wider community. The Manawatu-Wanganui Region has some of the best wind resources in the country, as well as other potential sources of renewable energy, the use of which would make a significant contribution to the nation's sustainable energy requirements.
- 6.5 In my opinion, it would be fully appropriate and helpful to include key objectives and/or policies where the development and use of the Region's natural resources would have significant regional or national benefits, particularly where such benefits are in accordance with matters of importance under the RMA. The recognition of such benefits in the One Plan would ensure that, in future, decision-makers are provided with a firm direction to take such factors into account from a regional perspective.
- 6.6 A relevant point is that the Environment Court recently found that the ability to use land for both primary production and the production of energy is clearly an efficient use of that land resource³. I note that the same decision also confirmed that high quality wind resources are a finite and valuable resource. This decision reinforces, in my opinion, the appropriateness of recognising at a regional level the benefits of efficiently using the Region's finite natural resources of national importance.

General Content of Proposed One Plan – OVR 3

- 6.7 TrustPower's primary submission outlined a number of areas where there was a lack of cross-references between various chapters, particularly between Chapter 3 and others. I concur with TrustPower and the section 42A officer's report that these linkages and cross-references are an important component of this combined One Plan approach. On a similar note, TrustPower also supported the submission of Powerco Ltd (272/1) which sought that Council review the linkages between the rules and the objectives they are designed to give effect to. This was accepted in part by the section 42A officer's report which stated that these linkages will be given more attention in the relevant topic hearings.
- 6.8 I support the section 42A report recommendations to make these linkages more clear by referencing exactly which objectives and which policies of the regional policy statement chapters are relevant, as opposed to referencing the broader 'policies or objectives' in each Chapter. I also support the section 42A officer's report recommendation that such an approach will assist resource users in making the connections between the rules in the regional plan and the objectives and policies of the regional policy statement they seek to give effect to. However, given the long timeframes before any changes to relevant linkages within the proposed One Plan are

³ *Meridian Energy Limited v Wellington City Council*, W031/2007 at paragraph 370

made (or the section 42A officer's reports on each topic are completed) TrustPower can only partially support such an approach at this stage. Nonetheless, TrustPower has recommended a number of locations where such linkages would be beneficial to all plan users.

Terms used throughout the Proposed One Plan – OVR 6

- 6.9 TrustPower supported the submissions of Horticulture NZ and Federated Farmers of NZ Inc. that relevant definitions from the RMA be included in the One Plan so that users have ready access to all necessary terms. While these submissions were rejected by the section 42A officer's report, I support the officer's recommendation that there be a clear statement at the beginning of the glossary to the effect that words and terms used and defined by the RMA have the same meaning as in that Act and that they are not repeated in the One Plan glossary.

Other matters to be included – OVR 7

- 6.10 I remain concerned that the section 42A Officer's report rejection of Mighty River Power's primary submission (and TrustPower's supporting further submission) seeking the addition of a new section to the RPS that includes objectives and policies which expressly recognise the benefits that people and communities obtain from the use and development of natural and physical resources. As I outlined earlier, I consider that some activities or uses should be explicitly recognised where they have regional or national benefits, particularly where such benefits are in accordance with Part II of the RMA.
- 6.11 I would emphasise that TrustPower is not seeking a generic statement, nor stating the obvious – as interpreted by the section 42A officer's report – but is seeking a statement that expressly recognises the numerous benefits of renewable energy generation that are outlined in Part II of the RMA. It should not be inferred from this position that there should be explicit prioritisation for renewable energy generation; rather, it is more that the proposed One Plan should suitably recognise and take into account the local, regional and national (even international) benefits of renewable energy generation. It is important that the broader national matters under the RMA are contextualised in terms of recognising the significance of the Region's resources and their use within the national perspective.
- 6.12 In summary, in relation to the overall provisions of the One Plan, TrustPower seeks that the proposed One Plan be amended to include objectives and policies which specifically recognise the national and regional benefits associated with the use and development of the Region's natural and physical resources.

7 Conclusion

- 7.1 In conclusion, I support the overall intent and approach of the One Plan to provide a strong framework for promoting the integrated management of the Region's natural and physical resources, focusing on key regional assets and issues. In particular, the recognition of the region's infrastructural and energy generation assets within the Plan is supported.

- 7.2 However, at a general level, the One Plan should contain a more appropriate level of recognition of, and provision for, renewable energy generation within the Manawatu-Wanganui Region, and recognise the regional and national significance of this resource use, and the Region's contribution to their national benefits, consistent with purpose and principles of the RMA.
- 7.3 Accordingly, I would recommend that the relief sought by TrustPower be accepted, according to the manner outlined in my evidence.



Robert Schofield
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