



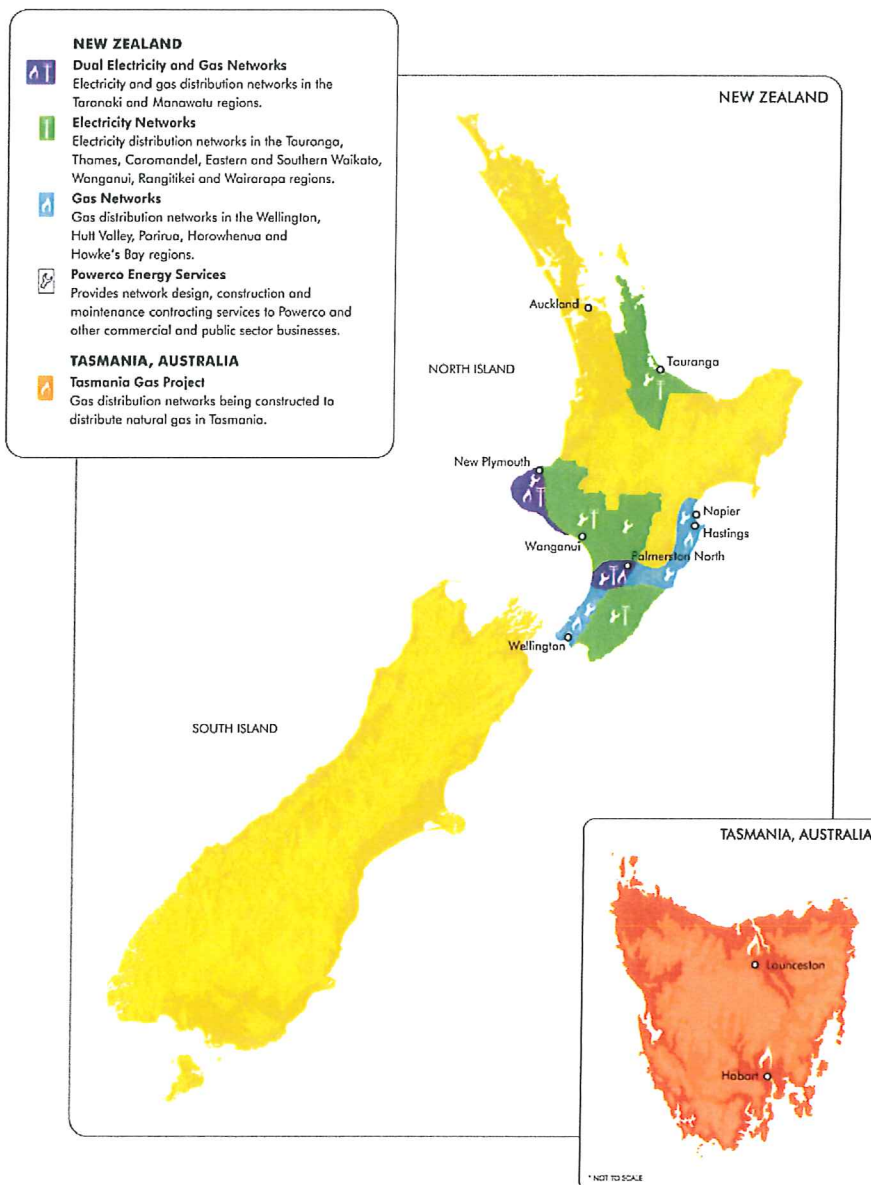
**Submission before the Hearings Committee
concerning the proposed One Plan notified by
the Manawatu-Wanganui Regional Council**

1 July 2008

A Introduction to Powerco

Powerco is New Zealand's second largest gas and electricity distribution company and has experience with energy distribution in New Zealand spanning more than a century. The Powerco network spreads across the upper and lower central North Island servicing over 400,000 consumers, which represents 46% of the gas connections and sixteen per cent of the electricity connections in New Zealand. Over 116,000 of these consumers reside within the boundaries of the Manawatu-Wanganui Regional Council. These consumers are served through Powerco assets including nearly 8,500 kilometres of electricity lines (including overhead lines and cables) and 850 kilometres of gas pipelines. The map below shows the extent of Powerco's assets throughout the North Island.

POWERCO OPERATIONS



B Structure of Powerco's submission to the Hearings Committee

Powerco has submitted on a range of matters across the Proposed One Plan but we will only be attending this hearing on the overall plan and the hearing on Chapter 3, Infrastructure, Energy and Waste. For this reason our presentation today includes comments on:

- i. The overall plan
- ii. Chapter 5, Land
- iii. Chapter 6, Water
- iv. Chapter 7, Living Heritage
- v. Chapter 9, Coast
- vi. Chapter 10, Hazards
- vii. Chapter 12, Land use activities and land based biodiversity

B.1 Key themes

The key themes in Powerco's submission are:

- The context of the One Plan within wider energy policy and regulatory environment.
- Recognition of the role of infrastructure generally.
- Recognition of the role of gas and electricity distribution networks in particular.
- The need for electricity and gas distribution networks and associated assets to be included in the definition of infrastructure of regional and national importance (as per Policy 3-1(a)).
- The One Plan should support and enable the efficient operation of infrastructure by providing for general maintenance and operations (including vegetation clearance and land disturbance) to be permitted activities.
- Recognition of reverse sensitivity issues for infrastructure.
- The need for clarity and consistency in drafting.

We would also like to acknowledge the work undertaken by the Horizon's Team. We appreciate the time they have taken to understand Powerco's issues and their professional approach.

It is worth noting that many of Powerco's concerns with the One Plan will evaporate if the definition of "*infrastructure of regional and national importance*" is amended to including electricity and gas distribution assets (refer Appendix).

C Overall Plan

C.1 Combined Regional Policy Statement and Regional Plans

Powerco supports the overall approach of combining the Regional Policy Statement and Regional Plans in one document. However as we noted in our submission we believe there is scope to improve the linkages between the rules, objectives, policies and methods.

For example in Chapter 3, Infrastructure, Energy and Waste no methods are identified to support the delivery of the Plan's policies and objectives around infrastructure and energy.

C.2 Context – New Zealand Energy Policy and Regulatory Environment

Powerco has submitted that the Proposed One Plan needs to more clearly acknowledge the context in which the energy sector operates and how this relates to Resource Management Act (RMA) decision making and the development of Regional Policy Statements and Plans. The Government's policy objectives for electricity and gas are respectively:

- *To ensure that electricity is produced and delivered to all classes of consumers in an efficient, fair, reliable and environmentally sustainable manner and to promote and facilitate the efficient use of electricity.*
- *To ensure that gas is delivered to existing and new customers in a safe, efficient, fair, reliable and environmentally sustainable manner.*

The New Zealand Energy Strategy has a vision for "*A reliable and resilient system delivering New Zealand sustainable, low emissions energy services.*".

The overriding purpose of the RMA is "*to promote the sustainable management of natural and physical resources*" (section 5); the delivery of reliable and sustainable energy services is part of this. The role of the RMA in enabling investment in the energy sector and enabling the ongoing maintenance and operation of energy infrastructure is essential to the achievement of a reliable and resilient system delivering New Zealand sustainable, low emissions energy services.

To this end Powerco made a further submission supporting Genesis Energy, Mighty River Power and Meridian Energy for the inclusion of any consequential changes required to the objectives, policies and rules to give effect to the following:

- Recognition of the importance of a reliable and secure energy supply system as a pivotal component to the sustainable management of the natural and physical resources within the Plan.
- Incorporation of policy directions within the Plan which recognise that in some instances the use and development of renewable resources will take precedence over other values.
- Recognition of the renewable energy resource base in the region.
- The significance of the national grid in facilitating renewable generation from dispersed locations.

This could for example mean amending *1.4 Adapting to Climate Change*. The paragraphs under this header currently make no reference to energy infrastructure and use. In the paragraph headed "*Proposed approach*" there could be an additional bullet point to recognise the relationship between the provision and use of energy and climate change. For example:

- Recognising and supporting the process of transitioning to a sustainable, low emissions energy future.

D Chapter 5: Land

Chapter 5 sets out the basis for controlling vegetation clearance and land disturbance on Highly Erodible Land.

Powerco's network traverses 8,500 kms of electricity lines and 850 kms of gas pipelines within the Manawatu-Region. This means our assets are exposed to the effects of a wide range of land management practices and that our activities have effects on the wide range of environments in which we operate. We are pleased to note that the Plan:

- Recognises the adverse effects of erosion and land slips on infrastructure.
- Aims "*to protect the stability of the Region's soil and water*" by controlling elements of vegetation clearance; forestry production; large scale land disturbance and land or vegetation disturbance near water bodies (5.1.3, p5-4).
- Seeks to permit activities that: have only minor environmental impacts; or are carried out in accordance with a recognised/Horizons endorsed industry developed code of practice or similar (5.1.3, p5-4).
- Promotes the concept of "*whole farm business plans*" (Policy 5-1, p5-5).

Powerco did not seek any changes to the objectives and policies in Chapter 5. Others however did and the Planner's Report recommends a number of changes which potentially impact on Powerco's ability to carry out its activities.

D.1 Changes to provisions regulating vegetation clearance and land disturbance on highly erodible land

A number of submissions requested that the maintenance of network utilities and existing infrastructure occur as a permitted activity. This relates specifically to vegetation clearance and land disturbance. Powerco was of the view that the Policy 5-3 (a)(iii) already provided for this but agrees that it could be better worded. The Planner's Report agreed with the submitters and recommended the following changes relevant to Powerco's interests.

Powerco understands that it is the Council's intention to support infrastructure activities by making activities associated with infrastructure maintenance and operation permitted. Our concern is to ensure that this is reflected in the drafting of the One Plan. The relevant changes are set out below.

4.10.3.1 Recommended changes to provisions (Planner's Report, p111)

Amend Policy 5-3 Regulation of vegetation clearance and land disturbance on highly erodible land by adding a new sub clause: 5-3 (a) *Vegetation clearance* and land disturbance*, including excavation, filling, tracking and soil cultivation, shall generally not be allowed on Highly Erodible Land* unless:*

- i.
- ii. ...
- iii. *the activity is for the purpose of establishing or maintaining a fenceline or ~~other infrastructure*~~ and there is no reasonable alternative location.*
- iv. ...
- v. ...
- vi. ...
- vii. *the activity is for the purpose of establishing or maintaining infrastructure of regional and national importance as defined in Policy 3-1(a) and there is no reasonable alternative location.*

The recommended change is perhaps more explicit in providing for “*infrastructure of regional and national importance*” but narrows the scope of permitted activities as the definition of “*infrastructure*” is wider than the definition for “*infrastructure of regional and national importance*”. Powerco’s support for the change is contingent on an amendment to the definition of “*infrastructure of regional and national importance*” to include electricity and gas distribution assets. Without such a change to the definition, if the change proposed in the Planner’s Report is accepted, vegetation clearance and land disturbance in areas of highly erodible land for the purpose of establishing or maintaining electricity and gas distribution networks would not be permitted activities.

4.10.3.1 Amend the definition of “vegetation clearance” in the glossary to the following (Planner's Report, p111) :

Vegetation clearance means the cutting, crushing, spraying, burning or other means of removal of vegetation, including indigenous and exotic plants. It does not include:

(a)...

(b)...

(c)...

(d)..

(e) Vegetation clearance for the maintenance of infrastructure of regional or national importance as defined in Policy 3-1(a).

(f) Vegetation clearance for the maintenance of existing formed public roads.

Powerco supports the intent of this proposed change but is concerned to know that its activities will be captured by the exclusion because of a change to the definition of “infrastructure of regional and national importance”.

It is unclear to Powerco why later in the Planner’s Report it is recommended that rules explicitly exclude vegetation clearance associated with the provision of infrastructure of regional and national importance from the need to obtain a resource consent when the definition of vegetation clearance has already excluded such activities. See the discussion under E1 of this submission.

D.2 Forestry and impact of unmanaged growth of trees

4.12 Recommendation Land 12 Chapter 5 Policy 5.5 Codes of Practice and Best Management Practices (Planner’s Report, p117)

4.14 Recommendation Land 14 Chapter 5 Method Sustainable Land Use Initiative – Hill Country Erosion (Planner’s Report, p125)

Tree and vegetation management is an important and costly issue for electricity networks. Mismanagement or lack of management of vegetation can result in unplanned power outages and cause safety and fire hazards. For this reason Powerco attended the forestry pre-hearing meeting. We note that the Proposed One Plan recognises and provides for some of the issues associated with vegetation management around electricity distribution networks.

Forestry interests have submitted that it would be appropriate to amend the Proposed One Plan to enable forestry activities to take place using similar mechanisms to whole farm business plans or by using codes of practice. Council staff have suggested that this is not currently considered appropriate because the methods (codes of practice, standards etc) to enable this have not been sufficiently developed. The intention is for changes to be promoted to the Proposed One Plan, either via private plan change or by Horizons, to incorporate references and provisions that enable land use activities to occur as permitted activities once there is a Horizons’ approved code(s) of practice. Powerco supports this approach and will

work to ensure that any Forestry Codes of Practice or Standards recognise the management issues created by electricity lines and require compliance with the Electricity (Hazards from Trees) Regulations 2003.

Vegetation and tree management issues arise in a range of rural environments including on farms. Powerco supports the concept of whole farm business plans and in its submission had recommended the definition be widened to include the appropriate management of infrastructure corridors. Although we still believe this would be sensible, we accept the Council's position that the timing is not right to do this.

We are pleased to note that links to Policies 5-1, 5-2 and 5-3 will be added to the "Links to Policy" row in the Sustainable Land Use Initiative – Hill Country Erosion.

E Chapter 12 Land-Use Activities and Land-Based Biodiversity

A number of changes to Chapter 12 are recommended. Powerco did not submit on all of these matters but the changes recommended in the Planner's Report affect Powerco's interests. Most, if not all, of Powerco's concerns would be addressed if the definition in Policy 3-1(a) is amended as per Powerco's submissions.

4.27.3 Recommendation Land 27 Chapter 12 Policy 12-3 Important and essential activities (Planner's Report, p187)

The Planner's Report recommends amending Policy 12-3 to:

The Regional Council will generally allow vegetation clearance or land disturbance* associated with an activity that is important or essential to the well being of local communities, the Region or a wider area of New Zealand. Such activities might include, but not be limited to, vegetation clearance* or land disturbance* associated with the provision of infrastructure of regional and national importance (as defined in Policy 3-1) and natural hazard management. And the provision of essential infrastructure.*

As noted earlier it is not clear why this exclusion is necessary for vegetation clearance because the definition of vegetation clearance already provides for "vegetation clearance associated with the provision of infrastructure of regional and national importance" to be permitted.

There are numerous submissions on the rules relating to vegetation clearance and land disturbance raising concerns around the low thresholds to trigger the requirement for resource consent. As the Planner's Report notes this is likely to be a matter of considerable discussion during the hearing.

We support the concept discussed in the report of "consents in the field" (p204, Planner's Report) and note that if it proves to be effective it may have wider application than vegetation clearance and land disturbance. We support Horizons's submission that "the activity status for works that exceed the permitted activity standards is changed from Discretionary to Restricted Discretionary" (p204, Planner's Report).

4.33 Recommendation Land 33 Chapter 12 Rule 12-3 Land Disturbance (Planner's Report, p256)

The Planner's Report recommends enabling "*land disturbance activities on highly erodible land in relation to maintaining existing infrastructure...Maintenance of existing infrastructure will generally involve confined and small-scale vegetation clearance and land disturbance. Activities may include pruning vegetation from roadsides or under transmission lines, or earthworks involved in the maintenance of roads and underground networks.*" (p266).

The wording changes recommended to give effect to this are:

Rule 12-3 Land Disturbance

Land disturbance on highly erodible land* pursuant to s9 RMA in circumstances where either the affected area is more than 100m²/y per property* or the volume of fill or excavation is more than 100m³/y per property*.*

This rule does not apply to land disturbance that is:*

- a. ...*
- b. ...*
- c. ...*
- d. ...*
- e. ...*
- f. for the purposes of maintaining existing infrastructure* (this is a permitted activity under Rule 12-1)*

(4.33.3.1, Recommended changes to provision, Planner's Report, p267)

4.34 Recommendation Land 34 Chapter 12 Rule 12-4 Vegetation Clearance

The changes recommended to Rule 12-4 Vegetation Clearance are consistent with those proposed for Rule 12-3 Land Disturbance but as noted previously it is not clear why an exclusion is needed for infrastructure of regional and national importance as the definition of vegetation clearance already provides the exclusion. Presumably the intention is to extend the exclusion to all infrastructure assets rather than just those of regional and national importance.

Rule 12-4 Vegetation Clearance

Vegetation clearance* pursuant to s 9 RMA in the following circumstances:

- a. ...
- b. ...

This rule does not apply to vegetation clearance* that is:

- c. ...
- d. ...
- e. ...
- f. ..
- g. ..
- h. for the purposes of maintaining existing infrastructure* (this is a permitted activity under Rule 12-1).

4.35 Recommendation Land 35 Chapter 12 Rule 12-5 Vegetation clearance and land disturbance on coastal foredunes and near waterbodies

The report notes that “*that maintenance of infrastructure requiring vegetation clearance and land disturbance is necessary to enable communities to provide for their well-being*” and goes on to recommend that an exclusion relating to the maintenance of existing infrastructure is added to the rule (p286). However this exclusion does not seem to be captured in the recommendations (p288, 4.35.3.1).

To be consistent with the approach taken in other rules there needs to be an additional new clause to read:

- i. for the purposes of maintaining existing infrastructure* (this is a permitted activity under Rule 12-1).

E.1 Discussion

Powerco supports the intent of the proposed changes and is pleased to see the positive recognition of infrastructure. Most of Powerco’s concerns will be addressed provided that the definition of “*infrastructure of regional and national importance*” (Policy 3-1) is amended as per Powerco’s submission and follow-up discussions with Council staff.

Powerco does however have concerns about the drafting changes proposed in the Planner's Report in that there seem to be a number of internal inconsistencies:

i The rules that sit under Policy 12-3 do not clearly reflect the revised Policy 12-3, instead of referring to "*infrastructure of regional and national importance*" they refer to "*existing infrastructure*". "*Infrastructure*" is a defined term and is wider than "*infrastructure of regional and national importance*". Given the nature of infrastructure it may well be appropriate that vegetation clearance and land disturbance are permitted activities where they are associated with infrastructure but it is unclear why there is an inconsistency between Policy 12-3 and the associated Rules.

ii If the term "*existing infrastructure*" is used it needs to be clarified. Does it mean infrastructure assets that are in existence at the time the Plan becomes operative or does it mean infrastructure assets that are in existence at the time the vegetation clearance or land disturbance is to take place? If it is the former Powerco would not support the rule changes. Provision needs to be made to maintain and operate any new assets in the same manner as for existing assets.

iii The Planner's Report recommends amending Policy 12-3 "*to generally allow vegetation clearance and land disturbance associated with the provision of infrastructure of regional and national importance (as defined in Policy 3-1) and natural hazard management*". To achieve this, the Planner's Report recommends amending the definition of vegetation clearance to include an exclusion for infrastructure of regional and national importance and retaining the definition of land disturbance and including exclusions in specific rules. The rationale for treating these two situations differently is not clear and it is confusing for the reader. It is further confused by the specific exclusions vegetation clearance rules for maintaining existing infrastructure.

There are gaps in the application of exclusions for land disturbance activities associated with the provision of infrastructure. It is not clear whether they are intentional or whether there have been oversights. For example in the Planner's Report there is no proposed amendment to exclude land disturbance for the purposes of maintaining existing infrastructure for *Rules 12.7 Activities within at-risk habitats* and *12.8 Activities within rare and threatened habitats including wetlands*.

El.2 Recommendation

Powerco submits that:

- it would be logical to manage exclusions for land disturbance and vegetation clearance in a consistent manner. i.e. Either through amending the definitions or through specific exclusions in the Rules.
- Policies and rules need to be internally consistent in the way they treat “*infrastructure*” and “*infrastructure of regional and national importance*”.

F Chapter 6, Water, Policy 6-27 General management of river and lake beds and Policy 6-31, Essential and beneficial activities

Powerco's interest in the management of water centres on its ability to inspect, maintain, operate and improve those of its assets sited in the beds of lakes and rivers. These matters seem to have been provided for in Policies 6-27(h) and 6-31 but we submit that these provisions could be improved upon to ensure there is no ambiguity around the ability of infrastructure providers to inspect, maintain and operate their assets.

Consistent with the approach taken in the Planner's Report on Chapter 5, Land this could be addressed by amending Policy 6-27 and Policy 6-31 as follows (providing the definition of infrastructure of regional and national importance is amended as per Powerco's submission and further discussions with Council officers).

Policy 6-27, General management of river and lake beds

Activities in, on, under or over the beds of rivers and lakes shall generally be managed in a way which:

- a. ...*
- b. ...*
- c. ...*
- d. ...*
- e. ...*
- f. ...*
- g. ...*
- h. Ensures that access required for the maintenance of ~~essential works and services~~ infrastructure of regional and national importance is not obstructed.*

Policy 6-31 Essential and beneficial activities

Notwithstanding Policies 6-27 to 6-30, activities in, on, under or over the beds of rivers and lakes that are essential or result in an environmental benefit shall generally be allowed, including:

- a. ...*
- b. ...*
- c. ...*
- d. Maintenance of infrastructure of regional and national importance*

Powerco made a further submission (265/16) on problems with the scope of the definitions of “*rare*”, “*threatened*” and “*rare and threatened habitat*”. Powerco’s issue is that the definitions/descriptions of “rare and threatened habitat” are extensive and the areas which they cover are not yet mapped. This potential creates a lack of clarity for network utilities. It is important to note that adequate vegetation clearance around electricity lines is a protective measure in that vegetation encroachments into safety clearance areas can cause fires, safety issues and unplanned outages.

If activities associated with the provision of infrastructure of regional and national importance are excluded from restrictions applying to areas of “*rare*”, “*threatened*” and “*rare and threatened habitat*” (either through revised definitions of vegetation clearance and land disturbance or through specific exclusions in rules) the lack of clarity over the extent of such areas is no longer problematic for Powerco. This statement relies on the definition of infrastructure of regional and national importance including gas and electricity distribution assets.

Appendix Infrastructure of regional and national importance

Powerco is looking for recognition in the Plan of the regional importance of its electricity and gas distribution networks in order to ensure adequate provision is made in RMA documentation to enable the inspection, maintenance and operation of its network without unnecessary impediment. Council staff indicated support for this approach at pre-hearing meetings.

Powerco also submits that generation of greater than 1MW (and its supporting infrastructure) connected to the electricity network, should be recognised as being of regional importance. This would ensure that “embedded generation” (i.e. generation connected to a distribution network rather than directly to the transmission network) greater than 1MW is recognised as being of regional importance. This would be in line with Powerco’s network planning and its approach to network recovery in the event of an interruption to supply. The definition contained in *Policy 3-1: Benefits of infrastructure (a)(i)* is not clear on this point.

Powerco submits that the following amendments would enhance the workability of the Plan and ensure that the electricity and gas distribution networks are adequately provided for.

Policy 3-1(a) Benefits of infrastructure

- i. *Facilities for the generation of more than 1 MW of electricity and its supporting infrastructure, where the electricity generated is supplied to the electricity distribution or transmission networks. ~~facilities for the generation of electricity where the electricity generated is supplied to the electricity grid and facilities and infrastructure to transmit the electricity generated into the electricity grid~~*
- ii. *The electricity grid is the system of transmission lines, substations and other works, including the HVDC link used to connect grid injection points and grid exit points to convey electricity throughout the North and South Island. ~~The electricity grid as defined by the Electricity Governance Rules 2003~~*
- iii. *Electricity distribution networks defined as the system of sub-transmission and distribution feeders (6.6kV and above) and substations.*

- iv. Gas transmission and distribution networks defined to include all mains pipes and gas stations together with associated valves and fittings.