

Submission by Transpower New Zealand Limited

Proposed Private Plan Change 15 – Tainui Group Holdings Limited

17 May 2023

Keeping the energy flowing



Form 5

Submission on notified proposal for policy statement or plan, change or variation

Clause 6 of Schedule 1, Resource Management Act 1991

To the Hamilton City Council ("the Council")

Name of submitter: Transpower New Zealand Limited ("Transpower")

This is a submission on a change proposed to the following plan ("the proposal"):

Proposed Private Plan Change 15 - Tainui Group Holdings Limited ("Proposed Plan Change 15") to the operative Hamilton District Plan ("District Plan").

Transpower could not gain an advantage in trade competition through this submission.

The specific provisions of the proposal that my submission relates to are:

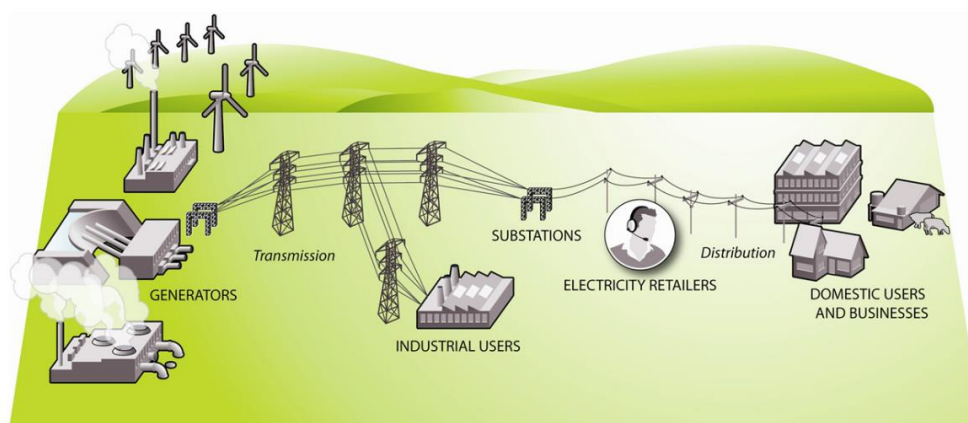
The provisions of Proposed Plan Change 15 where those provisions relate to the National Grid, and the land traversed by the National Grid and the extent to which Proposed Plan Change 15 gives effect to the National Policy Statement on Electricity Transmission 2008 ("NPSET") and the Regional Policy Statement for the Waikato Region 2016 ("Waikato RPS").

Transpower's submission is:

Background: The National Grid

Transpower is the state-owned enterprise that plans, builds, maintains, owns and operates New Zealand's high voltage electricity transmission network, known as the National Grid, that carries electricity across the country. The National Grid connects power stations, owned by electricity generating companies, to substations feeding the local networks that distribute electricity to homes and businesses. The role of Transpower is illustrated in Figure 1.

Figure 1: Role of Transpower in New Zealand's Electricity Industry (source: MBIE)



The National Grid extends from Kaikohe in the North Island to Tiwai Point in the South Island and comprises some 11,000 kilometres of transmission lines and cables and more than 170 substations, supported by a telecommunications network of some 300 telecommunication sites that help link together the components that make up the National Grid.

Transpower's role is distinct from electricity generation, distribution or retail. Transpower provides the required infrastructure to transport electricity from the point of generation to local lines distribution companies, which then supply electricity to everyday users.

Transpower's role and function is determined by the State-Owned Enterprises Act 1986, the company's Statement of Corporate Intent, and the regulatory framework within which it operates. Transpower's Statement of Corporate Intent for 1 July 2022, states that:

"Transpower is central to the New Zealand electricity industry, connecting New Zealanders to their power system through safe, smart solutions for today and tomorrow. Our principal commercial activities are:

- as grid owner, to reliably and efficiently transport electricity from generators to distributors and large users; and*
- as system operator, to operate a competitive electricity market and deliver a secure power system."*

In line with these objectives, Transpower needs to efficiently operate, maintain and develop the network to meet increasing demand and to seek security of supply, thereby contributing to New Zealand's economic and social aspirations. It must be emphasised that the National Grid is an ever-developing system, responding to changing supply and demand patterns, growth, reliability and security needs.

The National Grid has operational requirements and engineering constraints that dictate and constrain where it is located and the way it is operated, maintained, upgraded and developed. Operational requirements are set out in legislation, rules and regulations that govern the National Grid, including the Electricity Act 1992, the Electricity Industry Participation Code, the New Zealand Electrical Code of Practice for Electrical Safe Distances ("NZECP 34:2001") and the Electricity (Hazard from Trees) Regulations 2003.

Transpower's interest in Proposed Plan Change 15 is because Transpower owns and operates a transmission line that is within and traversing the area subject to Proposed Plan Change 15, being the Hamilton to Meremere B 110kV overhead double circuit transmission line on steel towers. This line connects the Hamilton Substation, located immediately south of the area subject to Proposed Plan Change 15, to Bombay Substation via Meremere.

The Resource Management Act 1991 ("RMA") and the National Grid

The National Grid is nationally and regionally significant infrastructure that is recognised in the RMA context (as relevant to Proposed Plan Change 15) by the NPSET; the Waikato RPS and the operative provisions of the District Plan.

National Policy Statement on Electricity Transmission 2008

The NPSET confirms the national significance of the National Grid and provides policy direction in relation to:

- recognising the benefits of the National Grid;
- managing the adverse effects on the environment of the National Grid;
- managing the adverse effects of third parties on the National Grid; and
- long term strategic planning for transmission assets.

The single Objective of the NPSET is:

"To recognise the national significance of the electricity transmission network by facilitating the operation, maintenance and upgrade of the existing transmission network and the establishment of new transmission resources to meet the needs of present and future generations, while:

- managing the adverse environmental effects of the network; and*
- managing the adverse effects of other activities on the network."*

In terms of Proposed Plan Change 15, Policies 1, 2, 10 and 11 of the NPSET are the most relevant. These Policies require:

- decision-makers to recognise and provide for the national, regional and local benefits of sustainable, secure and efficient electricity transmission (Policy 1);
- decision-makers to recognise and provide for the effective operation, maintenance, upgrading and development of the electricity transmission network (Policy 2);
- decision-makers, to the extent reasonably possible manage activities to avoid reverse sensitivity effects on the electricity transmission network and to ensure that operation, maintenance, upgrading, and development of the electricity transmission network is not compromised (Policy 10); and
- local authorities to identify an appropriate buffer corridor within which it can be expected that sensitive activities will generally not be provided for in plans and/or given resource consent (Policy 11).

It is acknowledged that the 'Request for Private Plan Change: Tuumata Ruakura, Hamilton Kirikiriroa (Plan Change 15)' dated 24 March 2023 ("Plan Change Request") identifies the provisions of the NPSET as relevant to Proposed Plan Change 15.

Sections 55 and 75(3) of the RMA require a district plan, including Proposed Plan Change 15, to give effect to the objective and policies of the NPSET. The requirement to 'give effect to' is a strong directive that requires the provisions of a district plan to reflect the direction and intent of the NPSET.

Giving effect to the NPSET will ensure that:

- the National Grid is able to be safely, effectively and efficiently operated maintained, upgraded and developed to provide a reliable, safe and secure supply of electricity; and
- the adverse effects of development in proximity to the National Grid are avoided.

Regional Policy Statement for the Waikato Region 2016

Section 75(3)(c) of the RMA also requires that a district plan gives effect to any regional policy statement. The Waikato RPS provisions that are directly relevant to the National Grid in the context of Proposed Plan Change 15 are Objectives EIT-O1 – Energy and UFD-O1 – Built Environment and implementing Policy EIT-P1 – Significant infrastructure and energy resources as follows:

"EIT-O1 – Energy

Energy use is managed, and electricity generation and transmission is operated, maintained, developed and upgraded, in a way that:

- 1. increases efficiency;*
- 2. recognises any increasing demand for energy;*
- 3. seeks opportunities to minimise demand for energy;*
- 4. recognises and provides for the national significance of electricity transmission and renewable electricity generation activities;*
- 5. recognises and provides for the national, regional and local benefits of electricity transmission and renewable electricity generation;*
- 6. reduces reliance on fossil fuels over time;*
- 7. addresses adverse effects on natural and physical resources;*
- 8. recognises the technical and operational constraints of the electricity transmission network and electricity generation activities; and*
- 9. recognises the contribution of existing and future electricity transmission and electricity generation activities to regional and national energy needs and security of supply."*

“UFD-O1 – Built environment

Development of the built environment (including transport and other infrastructure) and associated land use occurs in an integrated, sustainable and planned manner which enables positive environmental, social, cultural and economic outcomes, including by:

...

- 3. integrating land use and infrastructure planning, including by ensuring that development of the built environment does not compromise the safe, efficient and effective operation of infrastructure corridors;*

...

- 5. recognising and protecting the value and long-term benefits of regionally significant infrastructure;*

...

- 7. minimising land use conflicts, including minimising potential for reverse sensitivity;*

...

- 9. providing for the development, operation, maintenance and upgrading of new and existing electricity transmission and renewable electricity generation activities including small and community scale generation;”*

“EIT-P1 – Significant infrastructure and energy resources

Management of the built environment ensures particular regard is given to:

- 1. that the effectiveness and efficiency of existing and planned regionally significant infrastructure is protected;*
- 2. the benefits that can be gained from the development and use of regionally significant infrastructure and energy resources, recognising and providing for the particular benefits of renewable electricity generation, electricity transmission, and municipal water supply; and*
- 3. the locational and technical practicalities associated with renewable electricity generation and the technical and operational requirements of the electricity transmission network.”*

The Waikato RPS also includes Method EIT-M2 – Transmission corridor management directs an approach to the management of electricity transmission corridors in the Region as follows:

“EIT-M2 – Transmission corridor management approach

Waikato Regional Council will work with territorial authorities and energy companies and in consultation with other relevant industry organisations, to develop a transmission corridor management approach which:

- 1. recognises the benefits of the national electricity grid;*
- 2. identifies key transmission corridors in district plans, and:*
 - a. protects the corridor and electricity transmission network from inappropriate activities (including “sensitive activities”, as defined in the National Policy Statement on Electricity Transmission); and*

- b. *manages the adverse effects (including reverse sensitivity effects) of subdivision, use and development on the operation, maintenance, upgrading and development of the electricity transmission network.*
- 3. *identifies and addresses potential effects on people and communities and natural and physical resources from new transmission infrastructure;*
- 4. *seeks opportunities for alignment with other infrastructure corridors;*
- 5. *recognises that energy companies may be affected parties with respect to land use change, including subdivision and development; and*
- 6. *seeks to manage the effects of third parties on the safe and efficient operation of the transmission network."*

Hamilton District Plan

The District Plan gives effect to the NPSET and Waikato RPS through, amongst other matters, the inclusion of a suite of provisions, including land use and subdivision rules that regulate activities within a mapped corridor around National Grid transmission lines and National Grid support structures.

Land use is managed within the defined National Grid Yard (being 10-12 metres either side of the centreline of National Grid lines, and 12 metres from the edge of any support structure). Subdivision is managed within the defined 14-37 metre (as measured either side of the centreline) National Grid Corridor.

More specifically, land use provisions for the National Grid Yard and National Grid Corridor in Sub-Chapter 25.7 Network Utilities and the Electricity National Grid Corridor. Rule 25.7.4 specifies the activity status for activities and buildings within these areas. Of relevance to Proposed Plan Change 15, under Rule 25.7.4.a, new buildings or additions to the building envelope of existing buildings for a sensitive land use (which includes residential buildings), within the National Grid Yard, are listed as non-complying activities.

Subdivision involving any allotment within the Electricity National Grid Corridor is a restricted discretionary activity (Tables 23.3a, 23.3b and 23.3c; Activity x). This is subject to compliance with Rule 23.6.7 that requires:

- a. *any subdivision that creates new allotments within the Electricity National Grid Corridor must identify a building envelope, compliant with the relevant zone standards and the standards of this Chapter and clear of the National Grid Yard; and*
- b. *failure to comply with the standard in (a) will result in the proposed subdivision being assessed as a non-complying activity.*

This rule framework implements the following policy framework:

"Objective 25.7.2.1 – The importance of network utilities to support the development and functioning of Hamilton is recognised."

"Policy 25.7.2.1a - The positive effects and importance of network utilities, including the Electricity National Grid Corridor, for the social and economic wellbeing of Waikato region and Hamilton shall be recognised."

"Policy 25.7.2.1b - The operation, maintenance and upgrading of and access to existing network utilities shall not be adversely affected by subdivision, land use and development."

"Policy 25.7.2.1c - Subdivision, use and development in the Electricity National Grid Corridor shall not adversely affect the safe and efficient operation, maintenance of and access to the electricity transmission network."

“Policy 25.7.2.1d - Sensitive Land Uses including schools, childcare facilities, residential buildings or hospitals, shall not establish close to high-voltage electricity transmission lines.”

“Policy 25.7.2.1e - The alteration or extension of existing development already within the Electricity National Grid Corridor shall be provided for where it does not compromise the electricity transmission network.”

“Policy 25.7.2.1f - Reverse-sensitivity effects shall be avoided.”

Transpower notes that the rule framework that relates to the National Grid Yard and National Grid Corridor is described in the Plan Change Request at 5.1 12.

Transpower’s submission

As a preliminary matter, Transpower acknowledges and appreciates the consultation undertaken by Tainui Group Holdings as part of the development of Proposed Plan Change 15. This consultation is summarised at 13.6 of the Plan Change Request.

Transpower also acknowledges the commentary in the Plan Change Request in respect of the Hamilton to Meremere B transmission line that states that:

“Transpower advises that there are projects currently underway which would allow the HAM-MER-B 110 kV line to be disconnected in the future. The timeframe of this is indicated to be around 2025-2026; however, the exact timing is contingent on a number of projects being implemented to enable this to occur.

Due to the impending plan to disconnect the circuits on the line, Transpower does not see any benefit to undergrounding or repositioning the line section.”

In this regard, Transpower confirms that options for the Hamilton – Meremere B transmission line have been considered during discussions with Tainui Group Holdings. These options included relocation, undergrounding, disconnection, dismantling and divestment to an electricity distribution company. No option has been confirmed, and for the majority of options a safe and secure corridor will be necessary at least in the medium term and while the physical assets remain part of the National Grid.

Transpower considers that such an approach would be consistent with Policy 10 and 11 of the NPSET, Objective UFD-O1 – Built environment of the Waikato RPS and the relevant provisions of the District Plan that give effect to these higher order provisions.

Transpower also notes that Policy 4 of the National Policy Statement on Urban Development 2020 (and updated in 2022) (“NPSUD”) contemplates a scenario where growth and development capacity may be legitimately constrained and provides explicit direction that the urban form may be modified for ‘qualifying matters’ (including the protection of the National Grid) by identifying the location of the qualifying matter and specifying an alternate approach. Proposed Plan Change 12 to the District Plan includes the National Grid as a qualifying matter and applies the District Plan National Grid Corridor provisions accordingly. In September 2022, Transpower made a submission on Proposed Plan Change 12 supporting this approach. Ensuring that the operative National Grid Corridor provisions continue to apply within the Plan Change Request area is consistent with this.

Transpower accepts that the District Plan includes provisions that regulate development in the National Grid Corridor and it is also noted that the New Zealand Electrical Code of Practice for Electrical Safe Distances 2001 (“NZECP 34:2001”) imposes mandatory requirements (as established by Regulation 17 of the Electricity (Safety) Regulations 2010) and prescribes minimum safe distances for the construction of buildings and structures; for the use of mobile plant; and for excavation near transmission line support structures and overhead lines. In addition, section 237 of the PWA prevents excavations (without permission) within specified distances of transmission line support structures.

In terms of Proposed Plan Change 15, while Transpower appreciates that the purpose of Rule 3.7.4.3.6(iii) is to provide for a future situation where the existing transmission line has been removed or located underground, Transpower does not support Rule 3.7.4.3.6(iii), as notified. This is because, while the proposed Rule is intended to provide for circumstances where the transmission line remains part of the National Grid and in-situ, the proposed Rule is inconsistent with the operative National Grid Yard provisions (described earlier in this submission) and could be understood to be providing a differing approach when compared to these operative provisions. The Plan Change Request indicates that *“the focus of the rule is on buildings, with land use, subdivision and earthworks being effectively controlled already by the above referenced rules in the District Plan”*, however, Transpower understands that the rules in 25.7.4 also regulate buildings in the National Grid Yard, with provisions for buildings in greenfield areas being more stringent. As such, it is Transpower’s position that the proposed rule creates confusion through inconsistent regulation. Transpower therefore seeks that the rule be deleted.

Transpower seeks the following decision from the local authority:

Amend the provisions of Proposed Plan Change 15 by deleting Rule 3.7.4.3.6(iii) in its entirety including such further alternative or consequential relief as may be necessary to fully achieve the relief sought in this submission.

Transpower wishes to be heard in support of its submission.

Due to the specific interests of Transpower, and particularly the national significance of the National Grid, Transpower will not consider presenting a joint case.



**Signature of person authorised to sign
on behalf of Transpower New Zealand Limited**

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