

to the

# **Ministry for the Environment**

on the amendments to

The National Policy Statements for Renewable Electricity Generation, Electricity Networks and the National Environmental Standards for Electricity Network Activities

27 July 2025

# The National Policy Statements for Renewable Electricity Generation, Electricity Networks and the National Environmental Standards for Electricity Network Activities

#### - SUBMISSION BY BUSINESSNZ ENERGY COUNCIL—

# **Introduction**

- 1. BusinessNZ Energy Council (BEC)¹ is pleased to have the opportunity to provide feedback on the Ministry for the Environments (MfEs) consultation on the amendments to the National Policy Statements for Renewable Electricity Generation, Electricity Networks and the National Environmental Standards for Electricity Network Activities.
- 2. BEC represents a diverse array of leading energy-sector businesses, government bodies, and research organisations dedicated to creating a sustainable, equitable, and secure energy future.
- 3. As a brand of BusinessNZ, New Zealand's largest business advocacy organisation, we represent the World Energy Council in New Zealand, aiming to shape better outcomes for our wider energy system both locally and globally.
- 4. With this work the MfE aims to provide a more permissive investment and consenting environment for renewable electricity generation and the associated infrastructure including transmission and distribution.
- 5. BEC supports this work as the current consenting environment under the RMA is a serious roadblock for the development of generation and infrastructure that is desperately needed if New Zealand is to ensure an affordable, secure and sustainable energy system.
- 6. Decision makers must take into account the national importance of these projects for the well-being of NZ Inc as a whole.

# **Key Recommendations for the MfE and the Government**

- Reform the NPS-REG to accelerate renewable generation, while ensuring system diversity by recognising the ongoing role of fossil fuels and reducing consenting barriers for both large and small-scale projects.
- Support upgrades of existing renewable assets by enabling flexible reconsenting, recognising only new or additional effects, and allowing adaptation to new technologies.

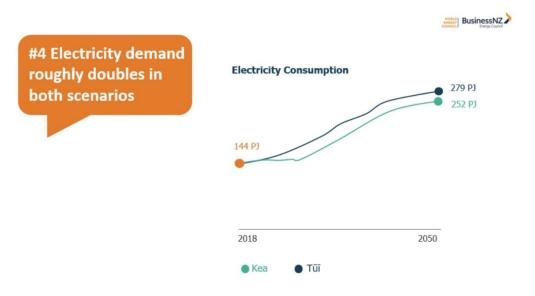
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<sup>&</sup>lt;sup>1</sup> More about BEC in APPENDIX One

- Expand and streamline electricity network policy by including distribution in the NPS-EN, enabling infrastructure in constrained environments, and reducing delays in route selection and maintenance approvals.
- Update national environmental standards (NES-ENA) to include electricity distribution and EV infrastructure, permit routine activities, and allow district plans to be more lenient to support efficient development.
- Enable rapid rollout of EV charging infrastructure by making home, workplace, ancillary, and standalone public chargers permitted activities across most environments.

#### **General Discussion**

- 7. The current national policy statement for renewable electricity generation (NPS-REG 2011) while aiming at enabling the sustainable management of renewable electricity generation (REG) as the MfE is no longer fit for purpose.
- 8. As a result, unless changes are made, New Zealand will struggle to meet its renewable generation needs as electrification continues to occur. The TIMES-NZ 2.0 model<sup>2</sup> shows that in both its Tūi and Kea scenarios electricity demand roughly doubles between 2018 and 2050 due to electrification of transport and industry. To meet this demand and keep prices low for consumers adequate generation must have the ability to be built.



9. In the last few years, however, we have seen time and again the consenting issues that investors have faced, which have slowed development. The consent declines of the Blueskin Bay Wind Farm (2017), Tekapo Solar Farm (2024) and Southland Wind Farm (2025) all show the current limitation of the NPS-REG.

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<sup>&</sup>lt;sup>2</sup> More about TIMES-NZ 2.0 in appendix 2

10. What these examples don't show is the general increases in costs and timeframes that the current consenting environment has which, as the MfE points out can discourage investment in smaller-scale projects.

# **NPS Renewable Electricity Generation**

- 11. BEC is pleased to see that the MfE is proposing changes to the NPS-REG that will allow for a new, strengthened objective that better recognises the critical role REG plays in society and the economy and the rapid increase in REG that is required to achieve climate emissions reductions.
- 12. BEC would like to emphasise that a good electricity system is diverse to ensure reliability. With this in mind BEC does not think it is a good idea to be giving preferential treatment to the development of REG over other important electricity generation.
- 13. While non-REG energy facilities, fuel storage and pipelines are included within the NPS-I BEC recommends treating these types of energy similar to REG due to the benefits to system resilience they provide. Additionally, gas pipelines will be applicable to biogas which is a renewable energy resource.
- 14. The proposed amendments to the objective of the NPS-REG are as follows:
  - A) Increases in the rate and manner necessary to support the achievement of New Zealand's emissions reduction and energy targets and associated plans under the Climate Change Response Act 2002.
  - B) Provides greater resilience to disruptions to electricity supply.
  - C) Provides for the social, economic and cultural well-being of people and communities, and for their health and safety, managing the adverse effects of REG activities.
- 15. **BEC supports** these amendments but believes that they should be adjusted to acknowledge the continued importance of fossil fuels in our electricity, particularly when acting in a firming capacity that compliments the intermittent nature of renewables.
- 16. The MfE suggests that **Policy A** of the existing NPS-REG, relating to national significance and benefits, should be strengthened by ensuring decision-makers give greater consideration and weighting to the national benefits of REG projects. BEC supports this as a way to improve national direction.
- 17. Additionally, the MfE are looking to increase the list of REG benefits to include the benefits of maintaining and upgrading existing assets and locating REG close to demand and electricity networks.
- 18. **BEC supports** the inclusion of these additions as they take into account the efficiency of the electricity system as well as the broader economic cost benefits of upgrading and maintaining assets rather than waiting until you have to completely replace them.
- 19. **Policy B** is to be amended to strengthen the weight to be given to consider the cumulative gains and losses of REG capacity. BEC supports this as it is expected to provide greater consistency and clarity as decision makers will be required to more systematically consider the broader, long-term implications of REG capacity, rather than just the immediate site-specific effects of a single project.

- 20. **Policy C1** is proposed to be amended to require consideration of the operational need or functional need of REG activities to be in particular environments. BEC supports this, solar needs to be built where it is sunny, wind turbines where it's windy and hydro where it's wet.
- 21. Two new policies are proposed to get the most out of our existing REG assets.
  - The first is proposed to ensure that decision makers enable the continued operation and maintenance of existing REG assets.
  - The second is proposed to provide direction for decision makers when existing REG assets are to be re-consented, upgraded or re-powered to:
    - A) have particular regard to the efficiencies and environmental benefit of increasing REG output within the same or similar environmental footprint.

      B) consider only additional or different effects to those with existing REG assets.
    - C) provide flexibility in consent conditions to allow upgrades to adapt to new technologies and improve resilience.

Alongside this, amendments are proposed to Policy D of the existing NPS-REG, to help protect existing assets from reverse sensitivity effects.

- 22. **BEC supports** this as it is expected to require councils and decision-makers to actively enable the continued operation and maintenance of existing renewable electricity generation assets, making it easier to keep these vital assets running and supporting New Zealand's renewable energy goals.
- 23. The MfE proposes a policy to enable REG with adverse effects on environmental values not included under section 6 of the RMA or covered by national direction. BEC supports this but under section 6 b) outstanding natural features remain relatively subjective which maintains uncertainty.

# **National Policy Statement on Electricity Networks**

- 24. BEC is glad to see that the National Policy Statement on Electricity Transmission (NPSET) is being expanded to include electricity distribution. The new expanded NPS is to be renamed to the National Policy Statement for Electricity Networks (NPS-EN). This better reflects the electricity network as a whole.
- 25. **BEC agrees** that as REG generation increases an increase in the capacity of the electricity network must also take place to maximise the gains of new generation.
- 26. The MfE identifies the following problems for resource management for electricity networks:
  - A) the national significance and benefits of electricity networks are not sufficiently recognized in resource management decisions.
  - B) Inconsistent policies, processes and rules add unnecessary complexity, cost and delay.
  - C) decision makers lack guidance to balance competing interests and environmental values.

- D) protecting electricity networks from the effects of other activities is time-consuming and more costly than it needs to be.
- 27. **BEC agrees** with the problems that the MfE has identified.
- 28. **BEC supports** the proposed objectives of the amendments to the NPSET. Particularly objectives A, C and D which are anticipated to provide a more permissive consenting environment for the development and upgrading of the national electricity network.
- 29. The MfE proposes to strengthen *Policy 1* of the existing NPSET to ensure that decision makers recognise and provide for the national significance and benefits of electricity networks to be realised at national, regional and local levels. BEC expects that this will improve the consideration of the benefits of electricity networks in the decision-making process.
- 30. **BEC supports** the MfE in their move to strengthen the requirement for decision-makers to recognise and provide for electricity networks which have a functional or operational need to be in particular environments, including those areas with section 6 RMA values, and with unavoidable adverse effects on those environments.
- 31. BEC also is happy to see that the proposed policy recognises the need to maintain and upgrade an aging network. This should reduce the regulatory and consenting costs associated with upgrading infrastructure.
- 32. **BEC supports** the ability of Transpower and electricity distribution businesses in selecting the preferred routes or sites for the development of electricity networks. These businesses have the knowledge and experience to make these decisions for themselves.
- 33. When route and site selection is taking place decision-makers should, however, ensure that appropriate cost-benefit and risk assessments have taken place.
- 34. In the development of new infrastructure, it is inevitable that some degree of adverse effects occurs. Therefore, BEC supports the steps that the MfE has taken to ensure that decision-makers are aware of the constraints imposed by the technical and/or operational requirements of electricity networks.
- 35. **BEC agrees** that infrastructure with adverse effects on environmental values not in section 6 of the RMA or covered by national direction should be enabled, so long as these effects are avoided, remedied or mitigated, where practicable. BEC also supports routine activities to be enabled in all environments as these routine activities are often essential to the continued operation of infrastructure.

# **National Environmental Standards for Electricity Network Activities**

- 36. The current National Environmental Standards for Electricity Transmission Activities (NESETA) is proposed to be changed to the National Environmental Standards for Electricity Network Activities (NES-ENA). BEC supports this change.
- 37. **BEC supports** expanding the current NESETA to include not only the operation, maintenance and upgrading of existing electricity transmission lines but also the construction, development maintenance of new electricity distribution lines.

- 38. **BEC supports** the proposed amendments to the existing NESETA to provide more enabling standards and extend its application to include electricity distribution and EV charging infrastructure.
- 39. **BEC agrees** that definitions across NPS-EN and NES-ENA should be aligned as this will help decrease uncertainty and help streamline the consenting process across both.
- 40. **BEC believes** that for electricity transmission network activities do not comply with permitted activity standards and/or are located within a natural area or historic heritage place or area they should fall within the controlled activity status.
- 41. **BEC supports** adding river crossings, groundwater takes and use, dewatering, stormwater discharges, structures in the coastal marine area and works in the bed of a lake or river to the list of permitted activities.
- 42. When looking at an appropriate activity status for electricity distribution activities when the permitted activity conditions are not met BEC believes that for existing assets, they should be considered controlled activities and new assets should be under restricted discretionary status.
- 43. **BEC supports** the proposed inclusion of safe distance requirements as this is expected to help ensure a reliable electricity network, help protect consumers from costly non-compliance issues and ensure safety for nearby activities and people.
- 44. The NESETA does not currently allow for district or regional plans to be more stringent or lenient than the instrument itself. **BEC believes** that the NES-ENA should allow district plans to be more lenient but not more stringent, this includes in the context of electricity distribution activities in specific environments (e.g. natural areas).

# **Public EV Charging Infrastructure**

- 45. The government has proposed its ambitious plan to significantly increase the number of public EV chargers across New Zealand, aiming for 10,000 public charge points by 2030. The Energy Efficiency and Conservation Authority (EECA) outlined that as of September New Zealand had 1249 public charge points.<sup>3</sup> This means that in order to reach the governments target New Zealand must build over 8000 chargers, to achieve this it must be easier to build EV chargers.
- 46. Regarding consenting for EV chargers and associated infrastructure at home or at work **BEC believes** that they should be considered a permitted activity.
- 47. Within the context of public charging in land transport corridors under the NES-ENA this should be considered a permitted activity and any additional approval/consenting needed from road or rail controlling authorities continue.
- 48. If public EV chargers are to be built in an ancillary capacity to a primary activity (the MfE uses the examples of service stations or supermarket car parks) then this should be

<sup>&</sup>lt;sup>3</sup> NZ's public EV charging to increase by 25%. EECA. 17.12.2024. NZ's public EV charging to increase by 25% | EECA

considered a permitted activity as BEC does not believe that the inclusion of EV chargers in these areas would create any significant additional adverse effects.

49. If standalone EV charging infrastructure is developed outside of residential zones, then **BEC believes** that this should also be considered a permitted activity.

# APPENDIX ONE – BACKGROUND INFORMATION ON THE BUSINESSNZ ENERGY COUNCIL

The <u>BusinessNZ Energy Council (BEC)</u> is a group of leading energy-sector business, government and research organisations taking a leading role in creating a sustainable, equitable and secure energy future.

BEC is a brand of BusinessNZ and represents the <u>World Energy Council</u> in New Zealand. Together with its members, BEC is shaping the energy agenda for New Zealand and globally.



BusinessNZ is New Zealand's largest business advocacy body, representing:

- Regional business groups: EMA, Business Central,
   Canterbury Employers' Chamber of Commerce, and Business South
- Major Companies Group of New Zealand's largest businesses
- Gold Group of medium sized businesses
- Affiliated Industries Group of national industry associations
- ExportNZ representing New Zealand exporting enterprises
- ManufacturingNZ representing New Zealand manufacturing enterprises
- Sustainable Business Council of enterprises leading sustainable business practice
- BusinessNZ Energy Council of enterprises leading sustainable energy production and use
- Buy NZ Made representing producers, retailers, consumers of NZ-made goods

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation (ILO), the International Organisation of Employers (IOE) and the Business and Industry Advisory Council (BIAC) to the Organisation for Economic Cooperation and Development (OECD).



### **APPENDIX TWO – FURTHER INFORMATION ON TIMES-NZ 2.0**

BEC, in conjunction with EECA and over 60 partners from across the energy sector, including private and public sector entities, have developed <u>TIMES-NZ</u> to stimulate future energy system thinking. TIMES-NZ scenario modelling is to stimulate future energy thinking by providing an **integrated overview of New Zealand's energy sector**, showing where we are now and where we might be heading, including the trade-offs and opportunities for taking a pioneer or follower approach related to climate change actions.