

**Submission on proposal for national policy
statement**

***Sections 49 and 57, Resource Management Act
1991***

To: the Chairperson
Board of Inquiry

This is a submission on the following proposed National Policy Statement (the **proposal**) by MainPower New Zealand Ltd (**MainPower**):

Submission on: Proposed National Policy Statement for Renewable Electricity Generation

Date of notice: 8 September 2008

The specific provisions of the proposal that MainPower's submission relates to are:

The whole proposal

MainPower's submission is:

Please see attached submission

MainPower seeks the following changes to the proposal:

Please see attached submission

MainPower wishes to be heard in support of its submission.

If others make a similar submission, MainPower will consider presenting a joint case with them at a hearing.



Signature of Todd Mead on behalf of MainPower New Zealand Ltd

29 October 2008

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SUBMISSION BY MAINPOWER NEW ZEALAND LTD (MAINPOWER)

BACKGROUND

MainPower owns and operates the power lines used to supply electricity to the people and businesses of North Canterbury, and Kaikoura.

MainPower services households, farms, business and community organisations in its area. Its vision is to be the leading regional energy company in New Zealand. Part of this vision includes looking for opportunities to use the region's abundant renewable resources to, ultimately, achieve energy self-sufficiency.

The MainPower electricity distribution network delivers energy from Transpower's National Grid to approximately 32,700 customers, using 492 GWh of energy annually and carrying approximately 86 MW at peak demand.

Importantly for the MainPower region, this demand is forecast to continue to grow at around twice the national average, a demand which is simply not being met locally.

In 2003 MainPower undertook a strategic review that looked at all aspects of its business including new growth opportunities.

The new corporate strategy and vision highlighted broadening the company's approach from its traditional narrow focus on the core electricity distribution business in North Canterbury and Kaikoura to including the development of a Generation Strategy. Interestingly, the widening in strategic focus was with the same foundations in mind – electricity, the region and infrastructure. Electricity generation was viewed as a natural extension to MainPower's distribution business and could allow MainPower better control, increased security of supply and could offset the need for some distribution network investments.

MainPower's Generation Strategy was based on developing a robust understanding of the resources in the region that might be available to generate electricity. The next stage of the strategy was to identify and secure the generation opportunities and then investigate development options.

At present there is no electricity generation within MainPower's region. Ultimately, MainPower's aim is for the region to become energy self-sufficient using a combination of improved energy efficiency and its renewable resources.

In November 2007, MainPower applied for resource consents to develop a windfarm at Mt Cass near Waipara. The application will be heard by the Hurunui District Council later this year. It is anticipated that the Mt Cass wind farm could generate between 41 - 69 MW of power, producing between 22%-40% of the region's annual energy requirements. Mt Cass is MainPower's first renewable energy project to reach the consenting stage.

MainPower is also currently investigating two mini-hydro projects. If both projects are developed they have the potential to supply 9.5 MW of power.

GENERAL COMMENTS

MainPower supports the Proposed National Policy Statement in principle, however it is concerned that it is not unequivocal in its support of renewable energy in its present form.

Parts of the Proposed National Policy Statement, for example policy 3 and some of the comments in the preamble appear overly concerned with adverse environmental effects associated with renewable energy projects. These provisions may be relied on by opponents of renewable energy projects to argue that a project should not proceed. MainPower is of the view that concerns about the environmental effects of renewable energy should not be reflected in a National Policy Statement to support renewable energy.

MainPower is of the view that there needs to be greater urgency in New Zealand's efforts to address climate change. One of the Government's key objectives in tackling climate change states that 90% of New Zealand's energy should come from renewable energy sources by 2025. It is MainPower's view that the Policy statement in its present form will not achieve this goal.

The Policy Statement needs to be strengthened to ensure that this objective is achieved.

Policy 1

MainPower supports this policy.

Policy 2

The wording of this policy is unclear.

MainPower understands that the intention of the policy is to recognise that developers of renewable energy projects often face constraints for example location of the energy source, location of existing renewable activities, location of infrastructure. These constraints can limit the ability of a developer to avoid, remedy or mitigate any adverse environmental effects associated with a renewable energy project.

The policy needs to be amended to make its purpose clearer.

Policy 3

MainPower oppose the inclusion of a policy requiring decision makers to have particular regard to the reversibility of the adverse environmental effects associated with proposed generation technologies.

The inclusion of this policy will seriously hinder the development of certain types of renewable generation for example some forms of hydro generation. The reversibility of effects is a matter that can be considered in the overall assessment of a proposal, however it is not a matter to which decision makers should have "particular regard".

Policy 3 should be deleted.

Policy 4 and Policy 5

MainPower supports these policies but questions why the timeframe needs to be so long. The present timeframe does not reflect the urgency required to ensure that New Zealand meets the stated goal of achieving 90% of fuel generated from renewable sources by 2025.

It is MainPower's view that renewable energy opportunities could be identified relatively quickly within a region or district.

Likewise objectives, policies and methods can also be developed relatively quickly.

Electricity generators will already have identified possible renewable energy projects. The timeframe for notifying amendments to policy statements and plans should be reduced so that the greatest number of potential renewable energy projects obtain the benefit of the provisions.

Amend policies 4 and 5 by changing the deadline to a date in 2010.

Policy 5

MainPower supports the intention of the policy but questions whether support should only be limited to small and community scale generation.

There is also no explanation as to why the definition of small and community scale renewable generation is limited to projects with an installed generation capacity of less than 4 MWs.