

10 February 2025

Environment Committee  
Parliament Buildings  
Wellington  
Lodged via: [www.parliament.nz](http://www.parliament.nz)

Tēnā koe,

## **Powerco Submission on the Resource Management (Consenting and Other System Changes) Amendment Bill**

Powerco Limited (Powerco) welcomes the opportunity to provide feedback on the Resource Management (Consenting and Other System Changes) Amendment Bill (the Bill). Powerco is one of Aotearoa's largest gas and electricity distributors, supplying around 360,000 (electricity) and 114,000 (gas) urban and rural homes and businesses in the North Island. These energy networks provide essential services to around 1 million kiwis and will be core to Aotearoa achieving a net-zero economy in 2050. Energy distribution infrastructure is a critical component of our current environment and new network infrastructure will be needed to meet growing electricity demand driven by decarbonisation, new technology, population and economic growth. More detailed information about Powerco is included in Attachment 2.

Powerco acknowledges that the Bill seeks to amend provisions within the RMA that would be applicable to our activities and infrastructure. Powerco seeks that the Bill appropriately provides the support needed for distribution activities to achieve outcomes for the full energy system. Powerco's full comments on the Bill are included in the table in Attachment 1. Our summary views on the Bill are:

<b>Definitions</b>	Powerco supports new definitions being inserted into the RMA, however some clarification is required on certain terms to ensure their meaning is clear.
<b>Natural Hazards</b>	Linear infrastructure sometimes needs to traverse locations that are subject to natural hazards and Powerco seeks to ensure the provisions do not unreasonably constrain such activities from occurring.
<b>Consent Hearings</b>	Powerco is supportive of the move towards not holding hearings for resource consent applications but considers there may be occasions where an applicant may want a hearing to proceed.

**Consent Duration** Powerco seeks clarification on the changes relating to consent duration to ensure they do not apply to standard land-use consents granted by territorial and regional authorities.

**Lapse Periods** Powerco supports the extended lapse period being proposed for renewable energy activity consents and designations.

**Designations** Powerco seeks clarification on the information required to be submitted with a Notice of Requirement to ensure no conflicting directions.

Powerco does not wish to speak to this submission.

This submission does not contain any confidential information and may be published in full. If you have any questions regarding this submission or would like to talk further on the points we have raised, please contact me via [planning@powerco.co.nz](mailto:planning@powerco.co.nz).

Nāku noa, nā,



**Adam Du Fall**  
Head of Environment  
**POWERCO**

## Attachment 1 – Powerco comments on the Bill

Provision	Powerco Position & Reasoning	Requested decision (additions underlined and deletions strikethrough)
<b>CI 4</b> <b>Definition of Electricity distribution network</b>	<p>Powerco’s electricity assets would fall within this definition and Powerco generally supports the wording.</p> <p>Powerco notes that Transpower will be seeking an exclusion from the definition of Electricity Distribution Network which Powerco supports for clarity.</p>	<p>Amend as follows:</p> <p><i>means any part of the electricity network that is controlled by a person or body who is both an electricity distributor and an electricity operator as those terms are defined in section 2 of the Electricity Act 1992, <b><u>and does not include Transpower New Zealand Limited</u></b></i></p>
<b>CI 4</b> <b>Definition of Electricity network</b>	<p>Powerco’s electricity assets would fall within this definition and Powerco supports the wording.</p>	<p>Retain as drafted.</p>
<b>CI 4</b> <b>Definition of Long Lived Infrastructure</b>	<p>Powerco’s electricity and gas assets would fall within this definition. Some changes are sought to this definition to ensure the entire distribution networks are captured within the definition instead of referring to component parts. Our networks comprise more equipment than pipelines, lines and structures that support lines – examples include regulator stations, substations, transformers, switch units. In order to function correctly, a network requires all associated equipment.</p> <p>We acknowledge that the term ‘natural or manufactured gas’ is used in the RMA. However, this RMA terminology is inconsistent with other gas legislation. To ensure clarity and consistency with other legislation relevant for gas networks, and broad scope for new technology in renewable gases and blended gases, it would be appropriate for the RMA to refer to ‘gas’ as defined in the Gas Act 1992.</p>	<p>Amend sub-clause (a) and (c) within the definition as follows:</p> <p>(a) <b><u>pipelines networks</u></b> that distribute or transmit <del>natural or manufactured</del> gas <b><u>as defined in section 2 of the Gas Act 1992...</u></b></p> <p>(c) facilities for the generation of electricity, <b><u>and electricity networks lines used or intended to be used to convey electricity, and support structures for lines used or intended to be used to convey electricity...</u></b></p>
<b>CI 4</b> <b>Definition of Specified Energy Activity</b>	<p>We understand this definition is intended to define renewable energy related activities which some clauses in the Bill will apply to. Powerco is currently exploring options that may utilise biogas as a source of renewable energy. This gas is created from anaerobic decomposition where bacteria break down organic matter in the absence of oxygen. While ‘biomass sources’ may technically include biogas, this is not the often-applied use of the term</p>	<p>Amend sub-clause (a) and (c) within the definition as follows:</p> <p>(a) <i>the establishment, operation, <del>or</del> maintenance, <b><u>or upgrade</u></b> of an activity that produces energy from solar, wind, geothermal, hydro, <del>or</del> biomass <b><u>or biogas</u></b> sources:</i></p>

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	<p>biomass. Biogas is defined in the Gas Act 1992 and should be included as a source of energy within clause (a) of this definition. Upgrade activities also need to be referenced within this definition.</p> <p>Powerco’s electricity assets would fall within clause (b) of this definition. Powerco generally supports the wording, although referencing to upgrade activities needs to be included. It is also considered that the wording can be shortened to simply refer to the electricity network (a term which is defined).</p> <p>Renewable gas is now being injected into the gas network in New Zealand, Powerco sees a strong future for renewable gas and is actively pursuing opportunities. The network infrastructure associated with distribution of gas from production to consumers should be included in the definition, as it is for distribution of electricity.</p>	<p>(b) <i>the establishment, operation, <del>or maintenance,</del><u> or upgrade</u> of the <del>transmission and distribution of electricity through the</del> electricity network.</i></p> <p>(c) <u><i>the establishment, operation, maintenance, or upgrade of the transmission and distribution of gas through the gas distribution system as defined in section 2 of the Gas Act 1992.</i></u></p>
<p><b>CI 27</b> <b>s87A</b> <b>amended</b></p>	<p>This clause would give a consent authority the ability to refuse a controlled activity land use consent due to natural hazards, which is concerning to Powerco. On occasion, there may be a need for infrastructure to traverse locations that are subject to natural hazards.</p> <p>Powerco further addresses this matter in relation to clause 37 of the Bill below.</p>	<p>Retain as drafted, provided the changes sought to clause 37 of the Bill are made.</p>
<p><b>CI 34</b> <b>s100 replaced</b></p>	<p>Powerco is concerned that applicants should retain the option to request a hearing. For complex or contentious projects, a hearing provides an opportunity for the decision maker to fully understand a proposal.</p>	<p>Amend section 100(1) as follows (or wording that achieves a similar outcome):</p> <p>(1) <u><i>Unless requested by the applicant, a</i></u> consent authority must not hold a hearing on an application for a resource consent if it determines that it has sufficient information to decide the application.</p>
<p><b>CI 37</b> <b>new s106A</b></p>	<p>As noted above, situations may arise where infrastructure needs to traverse locations that are subject to natural hazards, for example where there are limited alternatives but Powerco is still mandated by the Electricity Act to supply electricity to a consumer. Powerco considers that it is best placed to balance natural hazard risks with broader network needs and customer expectations. We have</p>	<p>Amend s106A to exclude its application to critical infrastructure projects.</p>

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	<p>robust systems to assess risk, good hazard assessment data, and well-tested experience in understanding asset performance.</p> <p>While Powerco appreciates that subclause 1 refers to 'significant risk', this requires a subjective judgement call to be made which may become problematic during a consenting process. This becomes particularly relevant for new lineal infrastructure which is often required to traverse many different environments and / or potential hazards. When considering the consent 'bundling' approach, crossing one isolated natural hazard area could mean an entire lineal project is refused consent.</p> <p>Therefore, Powerco considers that this provision should not apply to critical infrastructure (life-line infrastructure) projects.</p>	
<p><b>CI 38</b> <b>new s107G</b></p>	<p>Powerco sees merit in being able to review draft conditions of consent.</p> <p>If the consent authority has determined that a hearing is not to be held, Powerco believes that draft conditions of consent should be provided to the applicant. This could potentially avoid appeals in the event that conditions are unsatisfactory to the applicant.</p> <p>Furthermore, it is considered that the consent authority should be able to take all comments on draft conditions into account, not just those that are technical or minor matters. Again, this could avoid unnecessary appeals as well as enable improved consent outcomes, and avoid uncertainty whether a comment is 'technical' or 'minor'.</p>	<p>Insert a new sub-clause 1B and modify sub-clause 4 as follows:</p> <p>(1B) <u>If the consent authority has determined under section 100 to not hold a hearing it must provide the applicant with any draft conditions of the resource consent.</u></p> <p>(4) A consent authority may take those comments into account <del>only to the extent they cover technical or minor matters.</del></p>
<p><b>CI 42</b> <b>new s123B</b></p>	<p>At present land use consents, once given effect to, have an unlimited duration under s123(b). The new section 123B would mean that long-lived infrastructure, including Powerco's gas and electricity networks, would be subject to this 35-year duration.</p> <p>Powerco understands the intention of this section is to provide a default 35-year duration to regional council consents (e.g. coastal, water and discharge permits) that are currently time-limited under the RMA, not land-use consents granted by territorial or</p>	<p>Amend subclause (1) as follows:</p> <p>(1) A <del>resource consent</del> <u>coastal permit, water permit or discharge permit</u> authorising a renewable energy or long-lived infrastructure activity must specify the period for which it is granted.</p>

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	<p>regional authorities. This would then be similar to the current section 123A for duration of aquaculture activities.</p>	
<p><b>CI43</b> <b>s125</b> <b>amended</b></p>	<p>Powerco supports the lapse period for renewable energy activity consents being extended to 10 years.</p> <p>As per our comments on clause 4 definition of specified energy activity, for clarity, biogas which is defined in the Gas Act 1992, should be explicitly included as a source of renewable energy. We recommend the definition of 'renewable energy' be amended accordingly.</p>	<p>Retain clause 43 as drafted.</p> <p>Amend the definition of renewable energy as follows:</p> <p><i>renewable energy means energy produced from solar, wind, hydro, geothermal, biomass, <u>biogas</u>, tidal, wave, and ocean current sources</i></p>
<p><b>CI 49</b> <b>s168</b> <b>amended</b></p>	<p>Powerco notes that changes are proposed to the information required to be submitted with a Notice of Requirement.</p> <p>s168(2) of the RMA is not amended by the Bill, which requires a Notice of Requirement to be '<i>in the prescribed form</i>' – Form 18 in this case.</p> <p>It is noted that the new information requirements under this clause are similar to Form 18, but not the same.</p> <p>Powerco is concerned that these conflicting requirements (between Form 18 and the new sub-sections 3A, 3B and 3C) could lead to confusion and uncertainty as to the level of detail that needs to be submitted with a Notice of Requirement.</p>	<p>Delete Clause 49 and insert the relevant information requirements into Form 18.</p>
<p><b>CI 52</b> <b>s184</b> <b>amended</b></p>	<p>Powerco supports the lapse period for designations being extended to 10 years</p>	<p>Retain as drafted.</p>
<p><b>CI 63</b> <b>s330A</b> <b>amended</b></p>	<p>Powerco supports an increased timeframe for resource consents associated with emergency works. However, given the dynamic situations which can be encountered with emergency works, and the delays that may be encountered if specialist input is required, Powerco considers that a 30-working day timeframe could be challenging to meet.</p>	<p>Amend the timeframe to 50 working days.</p>

## Attachment 2 – Information about Powerco and our networks

### Providing an essential service

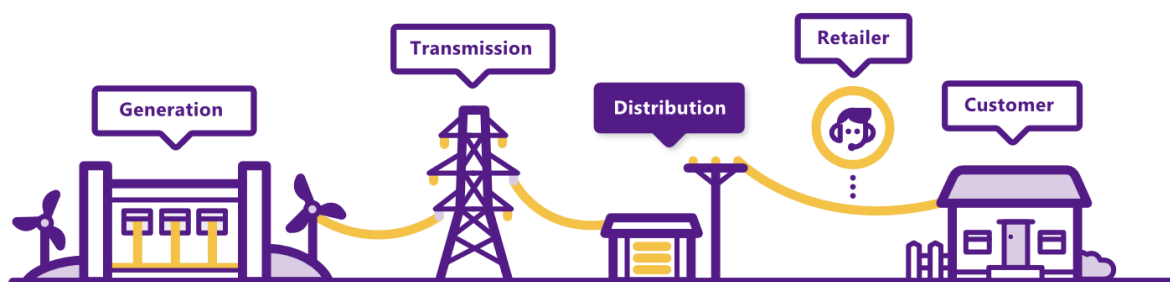
We bring electricity and gas to around 1 million kiwis across the North Island. We're one part of the energy supply chain. We own and maintain the local lines, cables and pipes that deliver energy to the people and businesses who use it. Our networks extend across the North Island, serving urban and rural homes, businesses, and major industrial and commercial sites. We are also a lifeline utility. This means that we have a duty to maintain operations 24/7, including in the case of a major event like an earthquake or a flood.

The cost of operating our business is not dependent on the amount of gas or electricity we distribute in our networks. These costs reflect the need to maintain the safe operation of the network and are mostly driven by compliance with safety regulations. This includes replacing assets when they reach their end of life. Additional costs to grow the size or the capacity of the network are often met by customers requiring the upgrade or new connection.

Under Part 4 of the Commerce Act, Powerco's revenue and expenditure are set by the Commerce Commission as part of monopoly regulation. We are also subject to significant information disclosure requirements, publicly publishing our investment plans, technical and financial performance, and prices. The regulatory regime allows us to recover the value of our asset base using a regulated cost of capital (WACC) set by the Commission, and a forecast of our expenditure. Every five years, the Commission reviews its forecasts and resets our allowable revenue. This process is designed to ensure the costs paid by customers for us to manage and operate our network is efficient given we are a monopoly and an essential service.

### Our electricity customers

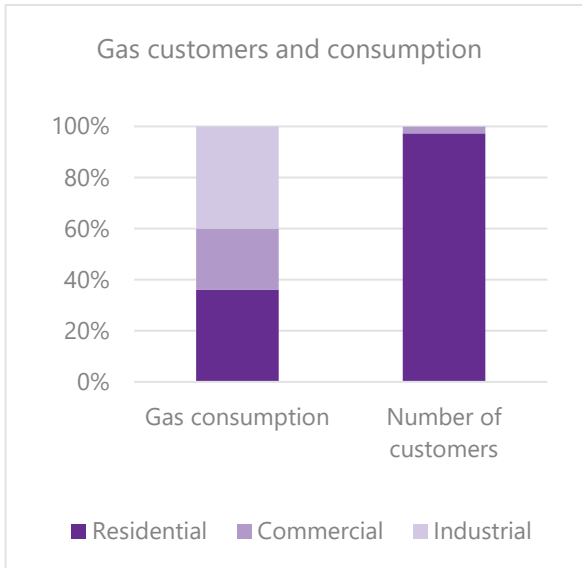
Powerco is New Zealand's largest electricity utility by the area we serve. Our electricity networks are in Western Bay of Plenty, Thames, Coromandel, Eastern and Southern Waikato, Taranaki, Whanganui, Rangitikei, Manawatu and Wairarapa. We have over 29,000 km of electricity lines and cables connecting around 360,000 homes and businesses. Our place in the electricity sector is illustrated below.



Our network contains a range of urban and rural areas, although is predominantly rural. Geographic, demographic, and load characteristics vary significantly across our supply area. Our development as a utility included several mergers and acquisitions that have led to a wide range of legacy asset types and architecture across the network.

Powerco is one of 29 electricity distribution companies. Our customers represent around 13% of electricity consumption (similar in magnitude to the Tiwai aluminium smelter) and around 14% of system demand. Powerco's network is almost three times the size of Transpower's in terms of circuit length. The peak demand on our combined networks (2023) was 974 MW, with an energy throughput of 5,225 GWh.

### Our gas customers



Powerco is New Zealand's largest gas distribution utility. Our gas pipeline networks are in Taranaki, Hutt Valley, Porirua, Wellington, Horowhenua, Manawatu and Hawke's Bay. We have over 6,200 km of gas pipes connecting to around 114,000 homes and businesses. Our customers consume around 8.1 PJ of gas per year.

Our industrial customers are less than 1% of our customer base and consumer approx. 40% of gas on our network. Our residential customers are 97% of our customer base and consume approx. 35% of gas on our network. The remaining 25% of gas is consumed by our commercial customers.

Around 30% of our larger customers are in the food processing sector, around 20% in the manufacturing sector and around 10% in the healthcare sector.

### Our network footprint

Our network represents 46% of the gas connections and 16% of the electricity connections in New Zealand. We operate assets within six regions and across 29 district or city council areas.

