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Proposed Change 2: Natural Hazards

*A submission on the Bay of Plenty Regional Policy
Statement*

13 November 2014



Trustpower Limited ("Trustpower") welcomes the opportunity to provide a submission to the Bay of Plenty Regional Council ("Regional Council") on its *Regional Policy Statement Proposed Change 2 – Natural Hazards* ("the Change").

For any questions relating to the material in this submission, please contact:

Nicola Foran

Environmental Advisor
Trustpower Limited
Private Bag 12023
Tauranga Mail Centre
Tauranga 3143

Email: nicola.foran@trustpower.co.nz

Phone: (07) 572 9888

1.0 Introduction and Overview

- 1.1 Trustpower is New Zealand's fifth largest electricity generator and retailer. Trustpower's New Zealand based generation portfolio (which it both owns and operates) derives primarily from renewable energy sources that comprise 38 hydroelectric power stations across 19 hydroelectric power schemes and two wind farms spread throughout the country.
- 1.2 The value of Trustpower's generation assets resides within its resource consents and, in particular, within its water permits, which are required for every dam, diversion, abstraction, use and discharge of water associated with each facility.

2.0 Trustpower's Unique Portfolio

- 2.1 A number of Trustpower's electricity generation schemes are embedded into the local energy supply network and form a vital element in sustainable energy supply within New Zealand. The location and scale of Trustpower schemes, along with a commitment to local supply (so as to ensure that electricity is consumed as close as possible to where it is generated) is a key and somewhat unique feature of Trustpower's generation philosophy and portfolio.
- 2.2 Trustpower differs from other electricity generators in the following ways:
- its assets are typically moderate in scale and output;
 - the schemes are relatively numerous and complex;
 - the capital investment in individual schemes is modest in comparison to other large generators; and
 - the schemes are spread throughout a number of districts and regions in New Zealand often serving provincial areas where other large generators are not represented.
- 2.3 Within the Bay of Plenty region, Trustpower owns and operates the Kaimai Hydro-Electric Power Scheme ("**Kaimai HEPS**"), the Matahina Hydro-Electric Power Scheme ("**Matahina HEPS**"), and the Wheao Hydro-Electric Power Scheme ("**Wheao HEPS**"). A plan showing the location of Trustpower's Bay of Plenty generation schemes is **attached**.
- 2.4 The Kaimai HEPS is located in the Wairoa River catchment within the Lower Kaimai area, approximately 20 km south west of Tauranga. The HEPS consists of four power stations: Lloyd Mandeno Station, Lower Mangapapa Station, Ruahihi Station and Kaimai 5 Station; with 38 MW generating capacity and an average annual generation output of 167 GWh. At Kaimai 5 Station a diversion tunnel feeds Lake Mangaonui and there are extensive recreation areas around McLaren Falls.
- 2.5 The Matahina HEPS is located 25 km southwest of Whakatane and is situated on the Rangitāiki River. The river and its wider Rangitāiki catchment supply water to Lake Matahina and the Matahina HEPS. The HEPS consists of two generators that deliver 80MW and generate on average 290 GWh per year, or enough electricity to annually supply 38,000 average households.
- 2.6 The Wheao HEPS is located in the Kaingaroa Forest, 82 km southwest of Rotorua. The HEPS uses water from both the upper Rangitāiki and Wheao Rivers. Flows from these rivers are diverted at two structures, one located on the Rangitāiki River and the other

on the Wheao River. The HEPS utilises two generators at the Wheao powerhouse that deliver 12MW each, with a further 2.1MW of generation from a single generator at the Flaxy powerhouse. The average yearly generation is 111 GWh, which is equivalent to the annual average electricity demand of 14,540 households.

3.0 Trustpower's participation in the Natural Hazards process to date

- 3.1 Trustpower was a submitter on the notified Bay of Plenty Regional Policy Statement ("RPS"), in February 2011. Trustpower has fully participated in this process to the extent it had relevance to its assets and interest. This included making further submissions, presenting independent expert evidence at the Council hearing. Trustpower was one of several parties who appealed this decision on the natural hazard provisions.
- 3.2 Trustpower actively participated in the Environment Court meditations, including bringing along the independent expert in Civil Engineering and Risk Management to assist the mediation group with understanding and developing potential provisions.
- 3.3 This led the Council to commence a new process, and undertook a comprehensive round of community and stakeholder consultation, to capture the views and opinions of other parties and people, who may not have been involved in the original RPS process.
- 3.4 This process was collaborative in nature, and included the specific involvement of the original appellants in the drafting of the new provisions. This led to several iterations of the natural hazards provisions, and the final version was acceptable to both Council and the participating parties. Trustpower has been fully engaged in both processes and believe the outcome will provide a more enduring solution for the management of natural hazards in the region.
- 3.5 Trustpower wishes to be heard in support of its submission. If others make a similar submission Trustpower Limited would be prepared to consider presenting a joint case with them at any hearing. Trustpower could not gain an advantage in trade competition through this submission.

Kind Regards,



Nicola Foran
Environmental Advisor
Trustpower Limited

4.0 Trustpower's Submission

Provision	Position and Reason	Relief Sought
Generally.	<p>Trustpower supports the Proposed Change 2: Natural Hazards generally as notified.</p> <p>As detailed in the section above, Trustpower fully participated in the preparation of the provisions contained in the Proposed Change 2: Natural Hazards</p>	<p>Trustpower seeks the following relief from the Bay of Plenty Regional Council.</p> <p>That Plan Change 2: Natural Hazards in its entirety be made operative with the amendment requested in the points below.</p>
Policy NH 10B	<p>Trustpower supports in part Policy NH10B, with minor wording amendments, as outlined.</p> <p>By adding in the words 'and upgrading' it provides for existing infrastructure that may require upgrading or enhancement over time to be provided for under this policy. Hydroelectric power schemes and other infrastructure assets are typically long life assets (ie 100 years plus). They require constant maintenance and enhancement works over their life in order to operate efficiently, and keep in line with technological advancements. The requirement for risk reduction measures to be applied would still be required.</p> <p>The activity should not be restricted to having a 'significant benefit to the community it serves' rather it should be the community as a whole. Often large scale infrastructure such as a hydroelectric power schemes has wider reaching benefits (eg to the national electricity system), not just to a local</p>	<p>Trustpower seeks the following relief from the Bay of Plenty Regional Council</p> <p>Amend Policy NH 10B as follows (or words to like effect):</p> <p><i>Policy NH 10B: Exceptions to the natural hazard risk management strategy</i></p> <p><i>Despite Policies NH 6B, NH 7B, NH 8A and NH 9B, provide for the establishment, operation and maintenance <u>and upgrading</u> of activities that have more than low natural hazard risk or which are located in high and medium natural hazard zones if the activity:</i></p> <p><i>(a) Has a significant social, economic or cultural benefit to the community it serves, or is a lifeline utility; and</i></p> <p><i>(b) Has a functional need for the location.</i></p>



	community.	<i>In the circumstances described in (a) and (b) above, risk reduction measures (including industry standards, guidelines or procedures) must be applied to reduce risk to life and property to be as low as reasonably practicable.</i>
Definition of a 'lifeline utility'.	<p>Trustpower supports in part the definition as proposed, with a minor amendment.</p> <p>The definition is reflective of the definition of lifeline utility under the Civil Defence Emergency Management Act 2002, for which Trustpower also has obligations under. The use of 'community' without further refine is supported, as with many lifeline utilities, the community it serves can be far reaching.</p> <p>The use of the term 'energy facility' is confusing, and is inconsistent with the definition in CDEM. Electricity generation schemes and distribution networks are not technically 'energy facilities' (i.e. they do not create energy, they create electricity from energy), so the subset as proposed is inaccurate.</p> <p>The solution could be to remove 'energy facilities' leaving just 'electricity generation and distribution'. Gas and other fuels are included separately, so the amendment should not have any unintended consequences or exclusions.</p>	<p>Trustpower seeks the following relief from the Bay of Plenty Regional Council.</p> <p>Amend the definition of 'lifeline utility' as proposed.</p> <p><i>Lifeline utilities means essential infrastructure services provided to the community such as water supply, wastewater networks and treatment facilities, transport facilities (including road, rail, airports and sea ports), telecommunication, television and radio facilities and structures, and energy facilities (including electricity generation and distribution, and gas and liquid fuels storage and distribution/retail)-</i></p>
Method 23B	<p>Trustpower opposes the method proposed, and requests its deletion.</p> <p>It is unnecessary to require all existing use or development (with a high or medium risk level) to assess and apply risk reduction measures.</p> <p>Rather Policy NH5B provides for situations when an existing use or development changes or intensifies, and at that point a risk</p>	<p>Trustpower seeks the following relief from the Bay of Plenty Regional Council.</p> <p><i>Method 23B: Investigate and apply measures to reduce natural hazard risk</i> <i>Existing use or development subject to high or medium risk must be investigated and the most appropriate non-regulatory</i></p>



	<p>assessment would identify whether any risk reduction practices/techniques are required to be implemented.</p> <p>This is an appropriate point of re-evaluation, as any change or intensification is likely to require a regulatory process (such as a resource consent).</p> <p>We are concerned that the method as proposed would be very difficult to implement, as it would include existing lawfully established uses, activities with existing use rights, and potentially permitted activities.</p>	<p><i>and/or regulatory risk reduction option applied, subject to Policy NH 10B.</i></p> <p><i>Implementation responsibility: Regional council for areas of high risk where the favoured response is regulation of existing uses; city and district councils in all other instances.</i></p>
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Trustpower's Bay of Plenty Generation Schemes

