

Submission by Genesis Energy Limited

Trading as Genesis

— ON —

Proposed Change 1 to the Regional Policy Statement for the Wellington Region

14 October 2022

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То:	Greater Wellington Regional Council
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1. Introduction

Genesis Energy Limited (**Genesis**) welcomes the opportunity to submit on Proposed Change 1 to the Regional Policy Statement for the Wellington Region (**RPS Change 1**).

Genesis is one of New Zealand's largest electricity and gas retailer, supplying energy to nearly half a million customers nationwide. Genesis generates and trades electricity and natural gas through a diverse range of assets across the country.

Genesis' diverse portfolio currently comprises:

- **Renewable generation:** three hydro schemes including Tongariro (362MW), Waikaremoana (138MW) and Tekapo (190MW). These schemes comprise eight power stations – six in the North Island and two in the South Island. Genesis owns the 7MW Hau Nui Wind Farm in the Wellington region.
- **Thermal generation:** Huntly Power Station, the largest electricity generation facility in New Zealand by capacity (953 MW).
- Genesis has a 46% interest in the Kupe Joint Venture, which owns the Kupe oil and gas field.

Within the Wellington region, in addition to the Hau Nui Wind Farm, Genesis holds resource consents to establish a wind farm at Castle Hill in northern Wairarapa.

Genesis is committed to empowering New Zealand's sustainable future, and to help the move to a low-carbon future, powered by renewable energy. The Genesis Future-gen programme is the lens we are using to identify opportunities to decarbonise Aotearoa/New Zealand's energy sector while continuing to supply reliable and affordable electricity. Renewable electricity generation is critical for achieving Aotearoa/New Zealand's climate change obligations. The speed and scale of building new, while retaining existing, renewable electricity generation that is required to achieve our necessary climate change mitigation is without historical precedent in Aotearoa/New Zealand. It requires tripling the pace of development compared to the previous 30 years, with around 1,250GWh of new renewable generation required on average every year. It is in the context of providing for both the existing and potential new renewable electricity generation opportunities that Genesis makes this submission on RPS Change 1.

Genesis wishes to be heard in support of this submission.

Genesis <u>will consider</u> making a joint presentation at the hearing with submitters making similar submissions.

Genesis does not gain an advantage in trade competition through this submission.

We invite the Greater Wellington Regional Council (**Council**) to consider our submission and request that the necessary changes are made as sought in this submission.

Nāku noa, nā

An Batt

Alice Barnett Environmental Policy and Planning Manager

2. Submission and Relief Sought

Genesis' submission on RPS Change 1 is focused on two topics: the changes to address the impacts of climate change, and the changes to address the loss and degradation of indigenous biodiversity.

CHANGES TO ADDRESS CLIMATE CHANGE

Genesis generally supports the proposals relating to climate change, including the new Chapter 3.1A on Climate Change and the associated provisions. Genesis also supports Council's goal to reduce gross greenhouse gas (**GHG**) emissions – significantly, immediately, and rapidly – and to transition as rapidly as possible from fossil fuels to renewable energy. However, Genesis considers that there are opportunities to further enhance the climate change provisions in RPS Change 1. These opportunities are identified in **Table 1** attached.

CHANGES TO ADDRESS THE LOSS AND DEGRADATION OF INDIGENOUS BIODIVERSITY

Genesis notes the purpose of the provisions relating to indigenous biodiversity in RPS Change 1 is to align with Te Mana o te Taiao – Aotearoa New Zealand Biodiversity Strategy 2020 and to preemptively consider provisions from the exposure draft of the proposed National Policy Statement on Indigenous Biodiversity (**dNPS-IB**).

In principle, Genesis supports the need to address the ongoing loss and degradation of indigenous biodiversity. However, Genesis is concerned about, and therefore opposed to, the approach adopted by Council in seeking to pre-emptively incorporate changes when the national policy statement is yet to be fully confirmed.

Genesis considers that until the national policy statement is confirmed, it is not possible to fully assess the actual and/or potential implications of the indigenous biodiversity provisions in RPS Change 1, and whether the provisions "give effect" to the national policy direction. In reviewing the proposed provisions, Genesis is already noting inconsistencies between RPS Change 1 and the exposure draft of the dNPS-IB. For example, the proposed "10% net biodiversity gain" (for offsetting) and "10% net biodiversity benefit" (for compensation) in Policy 24 was not signaled by the exposure draft of the dNPS-IB. Whilst the changes are noted in the section 32 evaluation report to provide a regional interpretation, there is limited evaluation on the cost and benefits of the proposal in the New Zealand context, other than the reference that the quantum "aligns with the UK government's recent Environment Bill"¹. The setting of an untested and arbitrary target therefore raises questions on its workability.

Although Council already notes any misalignment of matters may be addressed through a separate Schedule 1 process, Genesis queries the efficiency of imposing a two-step approach on not only the Council but also all submitters. As noted in the section 32 evaluation report, the dNPS-IB is anticipated to be gazetted later in 2022 – i.e. before the RPS Change 1 process is fully complete. The close, yet misaligned, timeframes between RPS Change 1 and the gazettal of the dNPS-IB will add unnecessary complexity to the RPS Change 1 hearings with the potential to lead to appeals.

Submission: On the above basis, Genesis <u>opposes</u> all provisions included in the RPS Change 1 that relate to indigenous biodiversity.

¹ Refer page 196 of Section 32 Evaluation Report

Genesis Energy Limited – submission on RPS Change 1

Relief sought: Genesis seeks that the indigenous biodiversity provisions in RPS Change 1 are withdrawn in full. A separate plan change using a Schedule 1 process should be prepared at a later stage once the National Policy Statement on Indigenous Biodiversity is gazetted. Alternatively, the proposed indigenous biodiversity provisions in RPS Change 1 should be amended as appropriate to address the concerns raised in this submission.

Table 1: Submission points regarding climate change provisions

Provision	Support/Oppose	Decision Sought (deletions red strikethrough , additions red <u>underlined</u>)	Reason
Chapter 4.1 Regulatory Policies – direction Policy 7	Support in part	 Amend Policy 7 as shown below. Policy 7: Recognising Promote, enable and protects the benefits from renewable energy and regionally significant infrastructure – regional and district plans District and regional plans shall include policies and/or methods that recognise: (a) Promotes and enables the social, economic, cultural and environmental benefits of regionally significant infrastructure including: (i) people and goods can travel to, from and around the region efficiently and safely and in ways that support transitioning to low or zero carbon multimodal travel modes; (ii) public health and safety is maintained through the provision of essential services: - supply of potable water, the collection and transfer of sewage and stormwater, and the provision of emergency services; (iii) people have access to secure and affordable energy, maximising and-preferably-low or zero carbon energy sources, so as to meet their needs; and (iv) people have access to telecommunication services. (b) Promotes and enables the social, economic, cultural and environmental benefits of energy generated from renewable energy resources; including: (i) reducing dependency on imported energy resources; (ii) reducing greenhouse gas emissions. (c) Protects the social, economic, cultural and environmental benefits of renewable energy and regionally significant infrastructure from reverse sensitivity effects. Explanation Notwithstanding that renewable energy generation and regionally significant infrastructure is a low or zero carbon development. 	The purpose of RPS Change 1 is to reduce GHG emissions rapidly. It is already recognized that support is required to hasten the transition of the energy economy to renewable sources. Genesis considers the current passive policy wording of 'recognising' the benefits from renewable energy does not meet the purpose of RPS Change 1 and will not induce change from the status quo. More direct and active wording is required, and can be achieved by the use of the words to 'promote and enable' as set out in the decision sought column. In addition to promoting and enabling renewable energy development, Genesis considers the policy direction should also seek to protect the benefits derived from this infrastructure from reverse sensitive effects. Renewable energy development is dependent on the ability to locate where the resource is and the benefits from renewable energy is wide reaching and extends beyond the region boundaries. The protection of these benefits must be provided and is separate to the existing Policy 8 which seeks to protect regionally significant infrastructure.

Provision	Support/Oppose	Decision Sought (deletions red strikethrough , additions red <u>underlined</u>)	Reason
		Energy generated from renewable energy resources and regionally significant- infrastructure can provide benefits both within and outside the region. Renewable- energy benefits are not only generated by large scale renewable energy projects but- also smaller scale projects Renewable energy means energy produced from solar, wind, hydro, geothermal, biomass, tidal wave and ocean current sources. Renewable energy generation and regionally significant infrastructure can also have adverse effects on the surrounding environment and community. These competing considerations need to be weighed on a case by case basis to determine what is- appropriate in the circumstances Imported and non-renewable energy sources include oil, gas, natural gas and coal When considering the benefits from renewable energy generation the contribution towards national goals in the New Zealand Energy Strategy (2007) and the National- Energy Efficiency and Conservation Strategy (2007) will also need to be given regard Regionally significant infrastructure is defined in Appendix 3.	
Chapter 4.1 Regulatory Policies – direction Policy 11	Support	Retain Policy 11 as notified.	The promotion and enabling of all forms of renewable energy generation is required to accelerate the climate change outcomes sought by RPS Change 1.
Chapter 4.2 Regulatory Policies – Matters to be considered Policy 39	Support in part	 Amend Policy 39 as shown below. Policy 39: Recognising Promote, enable and protects the benefits from renewable energy and regionally significant infrastructure – consideration When considering an application for a resource consent, notice of requirement or a change, variation or review of a district or regional plan, particular regard shall be given to: (a) Promoting, enabling and protecting the social, economic, cultural, and environmental benefits of energy generated from renewable energy resources and/or regionally significant infrastructure, in particular where it contributes to reducing greenhouse gas emissions; and 	For reasons set out in Policy 7 above. In addition, whilst wind, solar and marine are renewable energy resources currently known within the region, Genesis considers the RPS should seek to facilitate new low or zero carbon energy resources (such as biofuels) that may be identified in the future as technology advancement allows.

Provision	Support/Oppose	Decision Sought (deletions red striketbrough, additions red underlined)	Reason
		 (b) protecting regionally significant infrastructure from incompatible subdivision, use and development occurring under, over, or adjacent to the infrastructure; and (c) the need for renewable electricity generation facilities to locate where the renewable energy resources exist; and (d) significant wind, solar and marine renewable energy resources within the region and new low or zero carbon energy resources that may be identified as technology advances. Explanation Notwithstanding that renewable energy generation and regionally significant. infrastructure can have adverse effects on the surrounding environment and community, Policy 39 recognises that these activities can provide benefits both within and outside the region, particularly to contribute to reducing greenhouse gas emissions. 	
Chapter 4.4 Non-regulatory Policies Policy 65	Support in part	 Amend Policy 65 as shown below. Policy 65: Supporting and encouraging Promoting efficient use and conservation of resources – non-regulatory To promote support and encourage conservation and efficient use of resources by: (a) applying the 5 Rs (Reduceing, Reuseing, Recycleing, Recover, recycling and Residual waste management); (b) reducing organic waste at source from households and commercial premises; (c) increasing the diversion of wastewater sludge from wastewater treatment plants before deposition to municipal landfills; (d) requiring efficient municipal landfill gas systems; (e) increasing the proportion of electricity generated from renewable sources; (f) using water and energy efficiently; and (g) conserving water and energy. Explanation Policy 65 promotes the efficient use of resources to reduce emissions and supports the expansion of electricity generation from renewable sources to reasist the transition 	The expansion of electricity generated from renewable sources assists in the purpose of the policy to reduce emissions. Accordingly, Genesis considers it is appropriate that the policy explicitly seeks to support and encourage the increased development in renewable electricity generation.

Provision	Support/Oppose	Decision Sought (deletions red strikethrough , additions red <u>underlined</u>)	Reason
		from fossil fuel dependence. The policy endorses the waste hierarchy and also promotes similar principles for efficient water and energy use.	
		For waste, using resources efficiently means following the waste hierarchy: reducing unnecessary use of resources, including reducing packaging; reusing unwanted goods-that are still 'fit for purpose'; recycling new products from waste materials; and recovering resources (such as energy) from waste before disposing of the remaining waste safely. If resources are used efficiently, the amount of unwanted materials-disposed of at landfills and at sewage treatment plants will be reduced.	
		Similar principles apply for reducing energy demand and conserving energy. This- includes minimising the use of energy, reducing the need to use or being more efficient in use.	
		Some of the ways to efficiently use or conserve water include reducing water demand- and wastage by:	
		 Setting targets for reducing leakage from reticulated water supplies within each district 	
		 Providing information to water suppliers and water users on how to conserve water and use it as efficiently as possible 	
		 Providing information about long-term rainfall and drought predictions Investigating the use of transferable water permits 	
		Leaks from water reticulation systems can waste over 15 per cent of treated water. Water supply authorities already have programmes for repair and maintenance, and it is vital that targets are set so that development of such programmes continues and water wastage is reduced.	
		Water wastage is reduced. Water efficient household appliances and garden watering tied to garden needs, along- with fixing dripping taps and planting locally appropriate plants, are some of the ways-	
		that people could make the water delivered to their house go further. Greywater irrigation and recycling, and the use of rainwater tanks, are ways that households can- make more efficient use of water.	
		Weather predictions can help people prepare for possible weather extremes, for example by buying in stock feed or ensuring water reserves are at full capacity. Transferring water permits, or parts of water permits, allows allocated water to be-	

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		used by as many people as the resource can sustain.	
Appendix 3 Definitions Nature-based solutions	Support in part	 used by as many people as the resource can sustain. Amend the definition as follows: <u>Nature-based solutions</u> Actions to protect, enhance, or restore natural ecosystems, and the incorporation of natural elements into built environments, to reduce greenhouse gas emissions and/or strengthen the resilience of humans, indigenous biodiversity and the natural environment to the effects of climate change. Examples include: <u>Reducing areenhouse gas emissions (climate change mitigation):</u> planting forests to sequester carbon protecting peatland to retain carbon stores <u>Increasing resilience (climate change adaptation):</u> elanting street trees to provide relief from high temperatures. restoring coastal dunelands to provide increased resilience to the damaging effects of storms linked to sea level rise leaving space for rivers to undertake their natural movement and accommodate increased floodwaters. the use of water sensitive urban design, such as rain gardens to reduce stormwater runoff in urban areas. maximising electricity generation from renewable energy sources, recognising that renewable electricity generation can often be incorporated within the natural and built environments (e.g. wind farm and carbon forestry, solar panels on rooftops) (b) providing resilience for ecosystems and species restoring indigenous forest to a healthy state to increase its resilience to increased climate extremes. leaving space for ecosystems and species restoring indigenous forest to a healthy state to increase its resilience to increased climate extremes. 	Genesis considers the development of electricity from renewable sources is a nature-based solution that reduces greenhouse gas emissions whilst providing resilience for people. In taking actions to address climate change, it is necessary to consider the natural and the built environment in a holistic manner, and provide integration as much as possible.
		response to sea level rise.	

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Appendix 3 Definitions Regionally significant infrastructure	Support	 Retain the fifth bullet: Regionally significant infrastructure includes: <u>facilities for the generation and/or transmission of electricity where it is supplied to the National grid and/or the local distribution network</u> 	Genesis considers the proposed definition is appropriate to support the provisions contained in RPS Change 1.